

Reaching New Heights

2025
ANNUAL
REPORT



5N+

Trusted producer of ultra-high purity specialty semiconductors and performance materials

Preferred partner and leader in diverse and growing markets

Focused on value-added, advanced materials critical to our customers' end-products

Sourcing advantage through strategic global footprint and upstream refining capabilities

World-class R&D and technical expertise backed by proprietary and proven technologies

Our Competitive Advantage

Mission
To be critical to our customers, valued by our employees and trusted by our shareholders.

Vision
To enable critical industries through essential products based on advanced material technology.

Values
Commitment
Continuous improvement
Customer focus
Health and safety
Integrity
Sustainable development

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Strategic Global Footprint

7
manufacturing sites across three continents

4
R&D centres globally

850
employees

Leading supplier of specialty semiconductors in the high-growth renewable energy, space solar power, and sensing and imaging sectors

A market leader in health, pharmaceutical and technical performance materials

North America

Montréal, Canada (Head office) ●●●○

- Terrestrial renewable energy
- Imaging and sensing

Bridgeport, USA ●●○

- Health and pharma
- Technical materials

St. George, USA ●●●○

- Space solar power
- Imaging and sensing

Europe

Heilbronn, Germany ●●●○

- Space solar power
- Terrestrial renewable energy

Lübeck, Germany ●●●○

- Health and pharma
- Technical materials

Eisenhüttenstadt, Germany ●●●○

- Terrestrial renewable energy

Asia

Shangyu, China ●●●○

- Technical materials

Hong Kong, China ●●●○

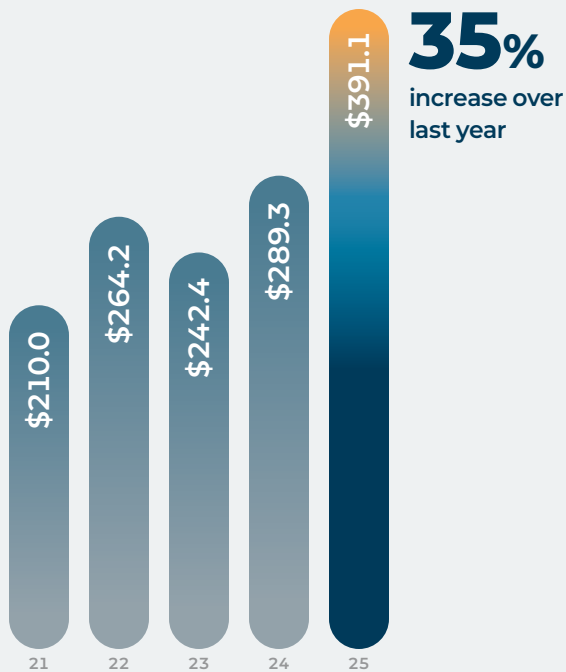
Specialty Semiconductors Manufacturing ●●●○

Performance Materials Manufacturing ●●●○

Research and Development ●●●○

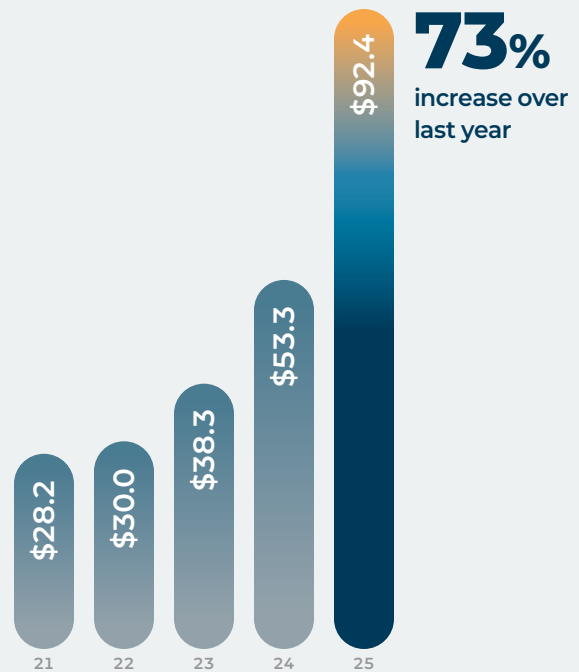
Commercial Centres ●●●○

Financial Highlights



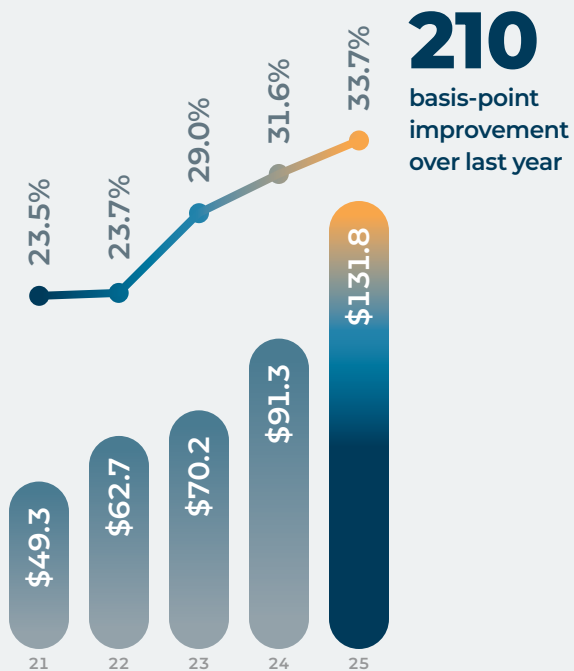
Revenues

(in millions of dollars)



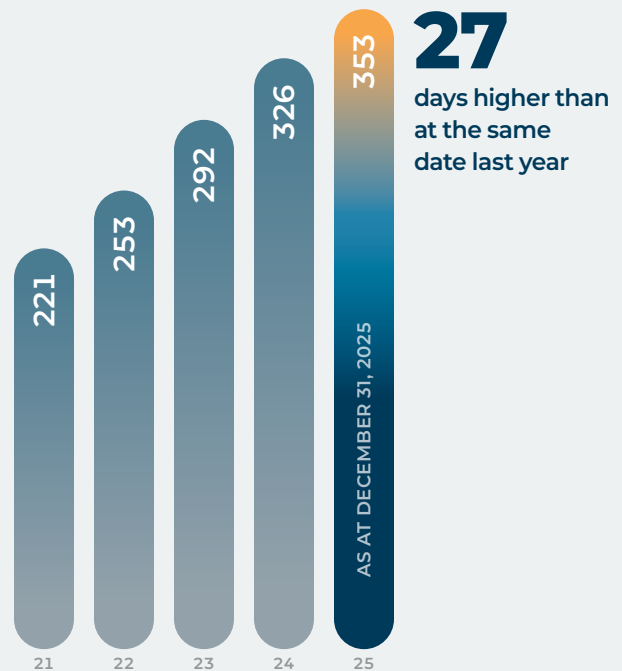
Adjusted EBITDA⁽¹⁾

(in millions of dollars)



Adjusted Gross Margin⁽¹⁾

(in dollars and as a percentage)

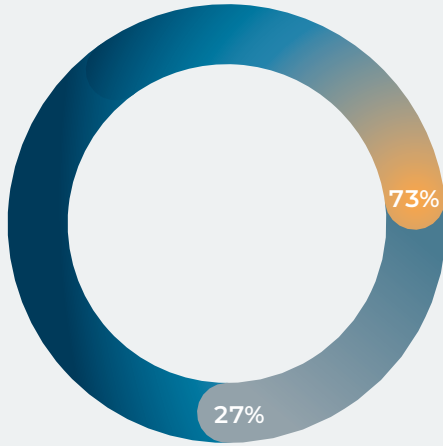


Backlog⁽¹⁾

(number of days of last quarter annualized revenue)

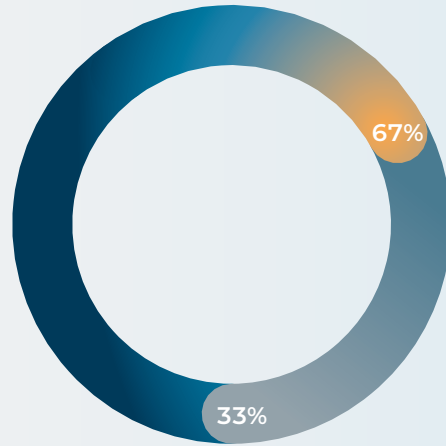
(1) These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. For further details of these non-IFRS measures, including a reconciliation to the most directly comparable IFRS measures, refer to our MD&A for the year ended December 31, 2025 available on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

All amounts in this document are expressed in U.S. dollars unless otherwise indicated



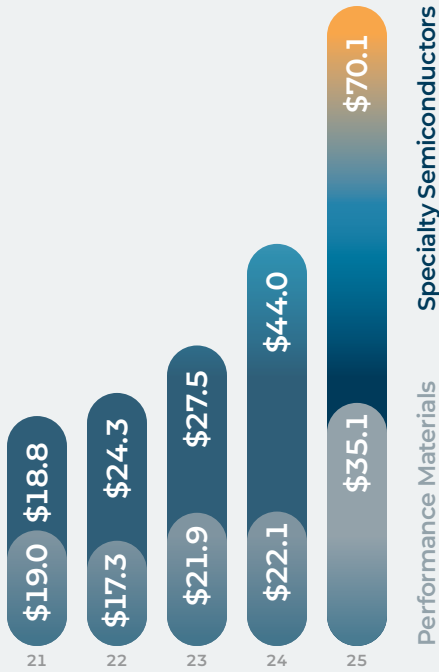
Specialty Semiconductors	Performance Materials
\$285.4M	\$105.7M

Segmented Revenues



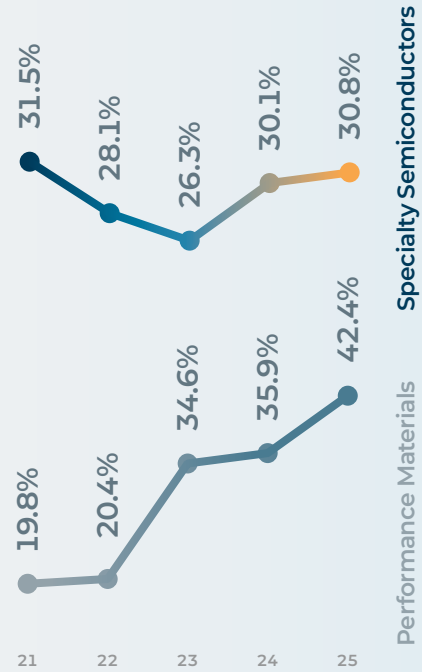
Specialty Semiconductors	Performance Materials
\$70.1M	\$35.1M

Segmented Adjusted EBITDA



Segmented Adjusted EBITDA

(in millions of dollars)



Segmented Adjusted Gross Margin

(as a percentage of sales)

Embracing the Next Chapter



Luc Bertrand
Chair of the Board, 5N+

On behalf of the Board of Directors, I am pleased to provide an update on our work and share our perspective on the exceptional results 5N+ delivered in its 25th anniversary year. In a complex environment, corporate oversight plays an important role, and we remain fully engaged in the Company's long-term success and growth.

Looking back on 2025, we were impressed by the way management navigated uncertainty and delivered record performance across several fronts. This was the result of a clear strategy and disciplined execution, enabling the Company to capture strong demand for its value-added advanced materials and to leverage its sourcing and manufacturing capabilities. This momentum translated into a meaningful increase in shareholder value, reflected in a significant rise in market capitalization during the year.

In parallel with overseeing strategy and financial performance, the Board continued to focus on resilience and governance practices. From cybersecurity and sustainability to ethics and risk management, we are committed to ensuring 5N+ has the tools to adapt in a rapidly evolving landscape and upholds high standards of governance.

Looking back on 2025, we were impressed by the way management navigated uncertainty and delivered record performance across several fronts.

Leadership succession has also been a board priority, with the plan set in motion late last year positioning us well for the future. Richard Perron, who will succeed Gervais Jacques as Chief Executive Officer (CEO) on May 31, 2026, has assumed expanded responsibilities since last year as President. With over 12 years as Chief Financial Officer, Richard has already played a pivotal role in reshaping our strategy and driving growth. The Board has full confidence in his ability to successfully lead the Company into its next chapter.

In times of change, continuity also matters. We are therefore pleased that Gervais, a director since 2020, will lead the Board as Executive Chair upon the conclusion of his CEO mandate. Since his CEO appointment in 2022, he has led the successful integration and growth of AZUR Space, meaningfully advanced our shift toward value-added products, and strengthened the Company's position as a partner of choice. This executive experience and perspective will serve him well as Executive Chair and add significant value to the Board's work.

As part of this transition, I will assume the role of Lead Independent Director. It has been an honour to be your Chair for more than a decade, and I look forward to continuing to serve in this capacity.

Board renewal remains essential to strong governance. Periodic refreshment helps ensure we maintain our independence and the right balance of company knowledge and fresh perspective to serve the Company's best interests.

This has been a milestone year, and I wish to commend management and the entire 5N+ team for all that has been accomplished.

I wish to thank Jean-Marie Bourassa, who will not stand for re-election ahead of our next annual meeting of shareholders, for his contributions to the Company since its founding. This includes as an independent director and as Chair of the Audit and Risk Management Committee since 2007. We are deeply appreciative and indebted to Jean-Marie for his service, engagement and commitment, and for the role he played in helping guide 5N+ to where it is today. We look forward to welcoming a new independent director to fill this vacancy as we also welcome Richard Perron to the Board as our next CEO.

This has been a milestone year, and I wish to commend management and the entire 5N+ team for all that has been accomplished. I also thank our shareholders and clients for their trust and support.

As we forge ahead, we are mindful that the environment will remain demanding and we will stay firmly focused on our oversight responsibilities as company stewards. We are also confident that the Company's market positioning, effective strategy and strong leadership provide a solid foundation on which we can continue to build and grow – for all our stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read 'Luc Bertrand', written in a cursive style.

Luc Bertrand

Chair of the Board

GOVERNANCE

Board of Directors



Luc Bertrand
Chair of the Board, 5N+
Quebec, Canada
Director since January 2016



Jean-Marie Bourassa
Corporate Director
Quebec, Canada
Director since
December 2007



Blair Dickerson
Vice President, Public and
Corporate Affairs Canada, Domtar
Ontario, Canada
Director since February 2023



Gervais Jacques
Chief Executive Officer, 5N+
Quebec, Canada
Director since May 2020



Andrée-Lise Méthot
Founder and Managing Partner,
Cycle Capital
Quebec, Canada
Director since May 2024

Executive Committee



Gervais Jacques
Chief Executive Officer



Richard Perron
President and Chief Financial Officer



Roland Dubois
Chief Commercial Officer
and Executive Vice President,
Specialty Semiconductors



Paul Tancell
Executive Vice President,
Performance Materials

Reaching New Heights



Gervais Jacques
Chief Executive Officer

In 2025, 5N+ set a new benchmark for performance. By leaning on our strengths, we navigated a complex macroeconomic and geopolitical environment with aplomb to harness unique favourable momentum across our segments.

A disciplined execution of our growth strategy continued to guide us as we leveraged our diversified global supply chain, deepened our relationships with key customers and deployed capital to expand capacity in high-growth sectors.

This approach produced record financial results and won recognition from capital markets. I would like to commend the 5N+ team for rising to the occasion and making our 25th anniversary year truly meaningful.

Financial milestones

In 2025, we delivered exceptional financial results across the board with contributions from both of our segments. We generated more than \$390 million in revenue, representing 35% year-over-year growth and reflecting strong demand in Specialty Semiconductors and favourable pricing under Performance Materials. We significantly expanded our earnings base, delivering 73% Adjusted EBITDA growth to reach \$92.4 million, while also expanding margins in Performance Materials. We also capped off the year with a maxed-out Specialty Semiconductors backlog, further demonstrating the strength of our strategic sectors.

These striking results are confirmation of the decisions we have made in the recent past to enhance our growth path. Today, we focus on the right products and the right markets, offering reliability, valued expertise and unique capabilities.

Our clients operate in industries that are reshaping the global economy and their need for the advanced materials we offer is only getting stronger.

Capital markets took notice. Our share price has risen significantly through 2025 and early 2026. We believe these gains reflect increased investor confidence in our proven strategy and execution. Our increased valuation earned us a place in the S&P/TSX Composite and MSCI Small Cap indexes, expanding global investor visibility. We were also proud to see our efforts recognized with our inclusion in the 2025 TSX30, which recognizes top performers on the Toronto Stock Exchange over a three-year period.

A trusted partner for industry changemakers

With unwavering focus and targeted investments in our Specialty Semiconductors business, 5N+ has secured its status as supplier of choice outside of China. Our clients operate in industries that are reshaping the global economy and their need for the advanced materials we offer is only getting stronger from renewable energy, space exploration to national defense.

Last year, we expanded and extended our agreement with U.S. solar technology leader First Solar, Inc. to support its domestic manufacturing solar energy growth plans. Under the new contract, we are significantly increasing production and delivery of thin-film semiconductor materials over a multi-year period.

Germany-based AZUR Space has continued to scale up operations to meet unprecedented demand for space-grade solar cells globally. The momentum is reflected in our robust long-term project pipeline which extends beyond 2028. To capture additional demand, we increased production capacity at our Heilbronn site by 30% in 2025 and we expect to add another 25% by the end of 2026.

Sitting at the intersection of utility-scale and space-based solar energy infrastructure, we are uniquely positioned to supply critical industries.

In early 2026, we also received a sizable financial award from the U.S. government's defense sector to increase germanium recycling and refining capacity at our St. George, Utah facility over a two-year period. This will enable us to feed optics and solar germanium crystal supply chains in this market for imaging, sensing and space solar applications.

Our Performance Materials segment also delivered strong results in 2025, confirming that our strategic focus on key products in the health, pharmaceutical and technical materials sectors has been the right one. As the global leading supplier of bismuth-based chemicals and compounds, we took full advantage of our flexible sourcing and manufacturing capabilities to realize improved margins.

Strong long-term growth trends

Looking forward, we expect many of the same momentum drivers to continue in 2026 and beyond. Sitting at the intersection of utility-scale and space-based solar energy infrastructure, we are uniquely positioned to supply critical industries that will make a wide adoption of artificial intelligence possible.

Fast evolving artificial intelligence technologies require more data centres and new sources to power them. In the U.S., where thousands of data centres are planned or under construction, demand for energy will keep rising. Despite policy shifts, solar energy remains a crucial part of the equation as a renewable, cost-effective and fast-to-market solution, and we are a key component of this value chain.

Structural expansion is also underway in the space industry. The need for observation, secure communications and satellite-derived data is fueling both public and private investments. With our leading solar cell technology, we are a natural partner to the main players in the market.

While there will be challenges ahead, we will take them on with strong foundations and a proven strategy.

We will also continue to be a partner of choice for advanced materials used in imaging and sensing applications, with continued medium- to long-term growth potential anticipated. For health, pharmaceutical and technical materials, growth is expected to remain broadly in line with GDP growth, as has been the case historically.

A seamless leadership transition

In 2026, we will complete the leadership transition set in motion last year. Richard Perron, President since 2025 and Chief Financial Officer since 2014, will be taking over as CEO in the spring.

After an exceptional year, Richard will ensure we remain steadfast on our strategy execution. Disciplined capacity increases, productivity improvements and a selective pursuit of growth opportunities are some of the top priorities for 2026. Richard knows the Company inside out and has played a vital role in our strategic pivoting. He is the ideal candidate to lead us into the future.

I too will continue working to ensure 5N+'s long-term success as Executive Chair of the Board. While there will be challenges ahead, we will take them on with strong foundations and a proven strategy to pursue sustainable growth and profitability.

In closing, I wish to recognize our employees on three continents for their commitment to our customers and our growth strategy. I also thank our customers and shareholders for their continued trust and support.

Sincerely,



Gervais Jacques

Chief Executive Officer

Enabling Materials for Diverse End Markets

Specialty Semiconductors

Leading Provider to High-Growth Industries

Key Products

- Cadmium telluride semiconductor compounds
- Germanium semiconductor wafers
- Ultra-high purity metals
- Epitaxial semiconductor substrates
- Space solar cells and assemblies



Terrestrial Renewable Energy

As a leading supplier to the renewable energy sector, our specialty semiconductor products are critical in moving towards a sustainable future. With gigawatts of solar panels incorporating our materials installed in utility-scale projects, our products convert the sun's power into renewable energy to provide electricity for consumers worldwide. In addition, our enabling materials are used in next generation energy storage infrastructure.



Space Solar Power

Our high-purity germanium wafers and epitaxial semiconductor substrates are used to produce ultra-high efficiency photovoltaic (PV) solar cells for satellite power generation and concentrated PV systems. Our enabling materials are frequently in orbit, powering satellites at various orbits such as LEO, MEO, GEO and beyond Earth orbit, as well as various space vehicles.



Imaging and Sensing

Our materials are used to manufacture radiation detector chips in medical, infrared and earth imaging applications in the medical, security and defense industries, helping to reduce patient exposure to X-rays and keep nations safe. We are a key player in the product value chain for the new CT scanning devices and photon counting detectors (PCD), which are to replace scintillator detectors.

Performance Materials

Longstanding Market Leader

Key Products

- Bismuth-based chemicals and compounds
- Optical and low melting point alloys



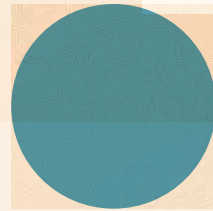
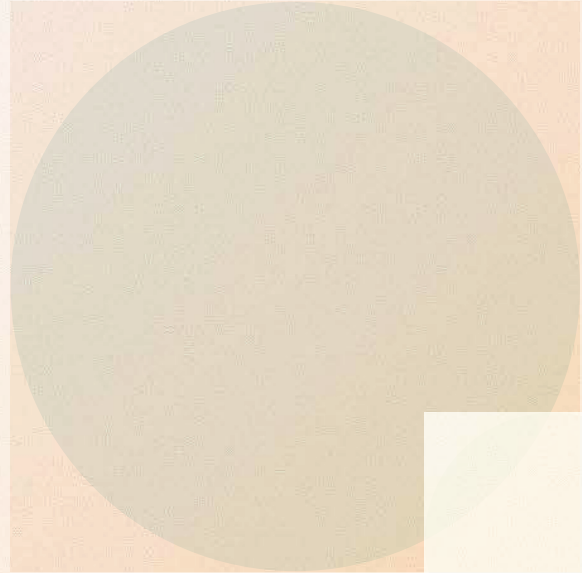
Health and Pharma

We produce bismuth chemicals that are non-toxic to human health or the environment and essential to the creation of everyday human care products. Our bismuth products are used as active pharmaceutical ingredients in over-the-counter antacids and antibiotic creams, as well as in cosmetics product applications.



Technical Materials

Whether as a substitute for toxic heavy metals in various applications or specialty alloys and chemicals, our technical materials are customizable and critical to a broad range of industries, from aviation to optics.



A Business Model Based in Circularity Principles

5N+ is an integrated supplier with upstream primary and secondary refining capabilities, as well as downstream semiconductor deposition and processing expertise. We take a lifecycle approach to responsibly sourcing and managing raw materials and integrate circular economy principles wherever possible.

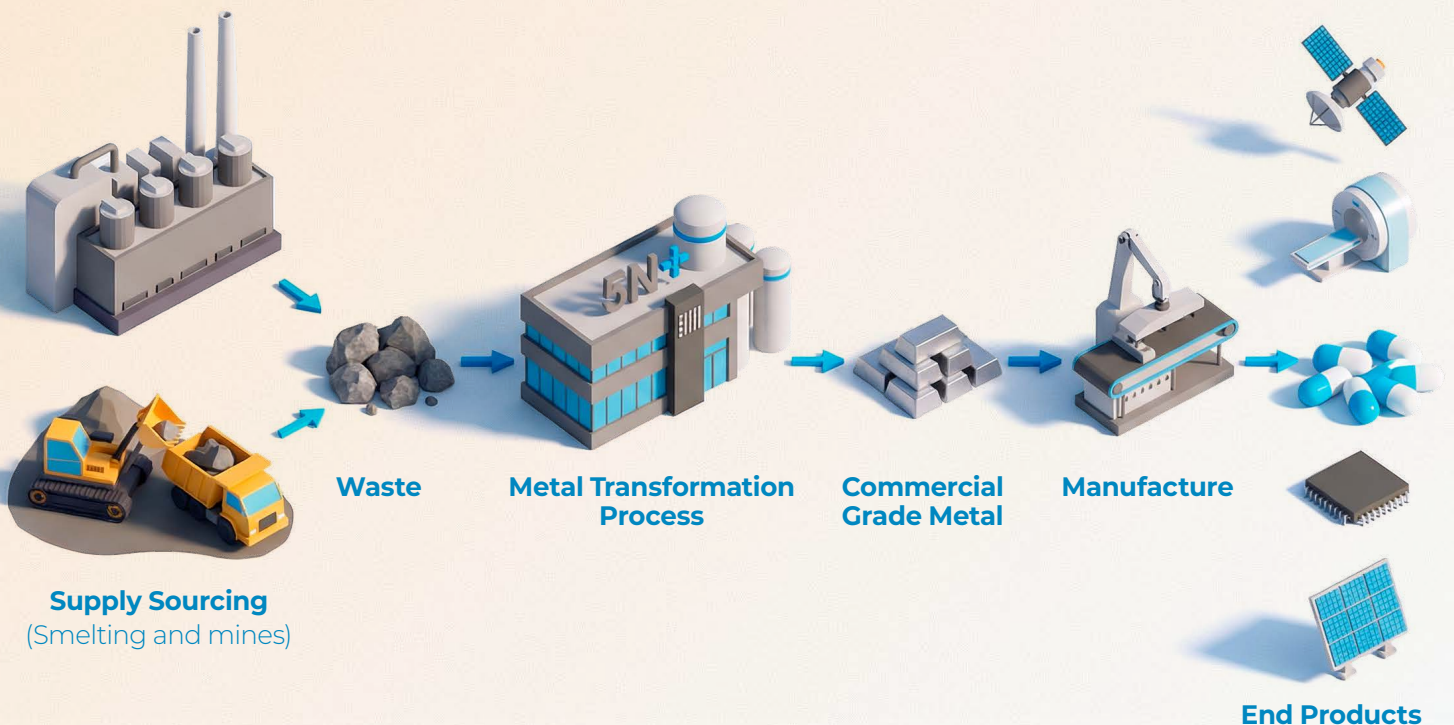
Upstream, we process complex materials and low-grade concentrates to recover critical metals, including cadmium, zinc, tellurium, germanium, indium and antimony. These are then further refined through secondary processes to achieve high purity levels. The resulting materials are sold as pure metals, compounds, wafers, substrates, alloys or chemicals.

Further downstream, we apply semiconductor deposition techniques to build complex III-V material layers on wafers and use physical and chemical processing to manufacture photonic and electronic devices. These products include photovoltaic cells, LEDs, diodes and receivers, which are delivered as bare components or integrated assemblies, such as space solar cell assemblies or packaged chips.

Our Business Model

Upstream

Downstream



A Commitment to High Standards

We hold several certifications for various aspects of our business to demonstrate our commitment to high standards in health and safety, quality, energy, environment and resource management, including internationally recognized ISO standards.

In addition to our ISO certifications, Lübeck is a U.S. Food and Drug Administration (FDA) approved facility and meets Good Manufacturing Practices (GMP)

requirements. Heilbronn/AZUR is EN 9100 (Quality Management System for Aviation Space and Defence) certified. Key space products are qualified to European (ECSS) and U.S. (AIAA) standards, and concentrated photovoltaic products are manufactured in accordance to the International Electrotechnical Commission (IEC) standards.

	ISO 9001 Quality Management	ISO 14001 Environment Management	ISO 45001 Occupational Health and Safety	ISO 50001 Energy Management
Eisenhüttenstadt Germany	●	●		●
Heilbronn Germany	●	●	●	●
Lübeck Germany	●			●
Montréal Canada	●	●	●	
Shangyu China	●	●	●	
St. George USA	●			

Our Sustainability Roadmap

5N+ is committed to pursuing its sustainability efforts, with the objective of creating long-term value for our stakeholders. Our material sustainability pillars and topics are the foundation of our roadmap:

Governance	Environment	Social
<ul style="list-style-type: none"> Corporate and ESG Governance Business Ethics and Compliance Responsible Supply Chain Management Information Security and Data Privacy Product Reliability, Quality and Safety Sustainable Product Innovation 	<ul style="list-style-type: none"> Climate Change Energy Management Water Management Waste Management Air Quality Product Stewardship Circular Economy Biodiversity 	<ul style="list-style-type: none"> Labour Practices Health and Safety Management Talent Development Inclusion and Diversity Community Engagement

For more information on our priorities and practices across our material sustainability topics, we invite you to consult our latest [Sustainability Report](#):



Governance – Responsible Supply Chain Management

As a global manufacturer of advanced materials, we procure a wide range of materials from diverse suppliers globally. We are committed to fostering long-term business relationships while strengthening sustainability initiatives across our supply chain and enhancing measures for ethical and transparent transactions with our critical suppliers. With the recent implementation of our Supplier Code of Conduct, we continue to increase our engagement efforts with critical metals suppliers and mitigate social and environmental risks within our extended supply chain.

Environment – Climate Change and Energy Management

5N+ continues to make progress to better understand and measure the potential impact of climate change-related physical and transition risks and to enhance our alignment with recognized reporting standards. Through process optimization, equipment upgrades, and operational best practices, we also aim to standardize energy performance improvements while maintaining regulatory compliance and industry leadership in sustainability.

Environment – Product Stewardship

At 5N+, product stewardship is at the core of our commitment to sustainability, regulatory compliance, and circular economy principles. Our portfolio includes semiconductor materials and components, such as compounds, solar cells, wafers as well as bismuth chemicals, high-purity metals and low-melting-point alloys. We also manage substances used in our operations, including chemical reagents, packaging materials and lubricants. Our approach aims at efficient and responsible material sourcing while minimizing environmental impact.

Social – Health and Safety Management

The health and safety of our employees is a top priority, with a strong emphasis on preventative measures. Every manufacturing site operates under a rigorous health and safety management system, including three ISO 45001 certified sites. Our health and safety management system is built on six key pillars: culture, leadership, standards, communication, competency and governance. These provide a governance and accountability framework to ensure implementation, monitoring, continuous improvement and compliance with regulations and best practices.

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations is intended to assist readers in understanding 5N Plus Inc. (the "Company" or "5N+"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2025, based on International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), unless otherwise stated. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

All amounts in this MD&A are expressed in U.S. dollars, and all amounts in the tables are in thousands of U.S. dollars, unless otherwise indicated.

Information contained herein includes any significant developments until February 24, 2026, the date on which the MD&A was approved by the Company's Board of Directors. Unless otherwise indicated, the terms "we", "us", "our" and "the group" as used herein refer to the Company together with its subsidiaries. "Q4 2025" and "Q4 2024" refer to the three-month periods ended December 31, 2025, and December 31, 2024, respectively; "FY 2025" and "FY 2024" refer to the years ended December 31, 2025, and December 31, 2024, respectively.

Non-IFRS Measures

This MD&A contains certain non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures, which do not have a standard meaning under IFRS Accounting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Such non-IFRS measures and ratios include Backlog, Bookings, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating expenses, Adjusted net earnings (loss), Basic adjusted earnings (loss) per share, Adjusted gross margin, Adjusted gross margin percentage, Total debt, Net debt, Net debt to EBITDA ratio, Working capital and Working capital ratio.

For definitions, further information and reconciliation of these measures to the most directly comparable measures under IFRS Accounting Standards, see the "Non-IFRS Measures" section.

Notice Regarding Forward-Looking Statements

Certain statements in this MD&A may be forward-looking within the meaning of applicable securities laws. Such forward-looking statements are based on a number of estimates and assumptions that the Company believes are reasonable when made, including that 5N+ will be able to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners, that 5N+ will continue to operate its business in the normal course, that 5N+ will be able to implement its growth strategy, that 5N+ will be able to successfully complete the realization of its backlog in a timely manner, that 5N+ will not suffer any supply chain challenges or any material disruption in the supply of raw materials on competitive terms, that 5N+ will be able to generate new sales, produce, deliver, and sell its expected product volumes at the expected prices and control its costs, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict and may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors of uncertainty and risk that might result in such differences include the risks associated with interest rate, foreign currency, credit, liquidity, global economic conditions, international operations including China and trade protectionist measures and any retaliatory action from affected countries, environmental regulations, crisis and climate change management, environmental social and governance (ESG) considerations, safety and hazards, geopolitical uncertainty, disease outbreaks, availability and retention of qualified employees, collective agreements, litigation, our growth strategy, competition, commodity price, sources of supply, protection of intellectual property, inventory price, business interruptions, loss of an important customer, changes to backlog, acquisitions, systems, network infrastructure and data failure, interruption and breach, privacy, market price of the common shares, as well as grants and other incentive programs. A description of the risks affecting the Company's business and activities appears under the heading "Risk and Uncertainties" of this MD&A dated February 24, 2026.

Forward-looking statements can generally be identified by the use of terms such as "may", "should", "would", "believe", "expect", the negative of these terms, variations of them or any similar terms. No assurance can be given that any events anticipated by the forward-looking statements in this MD&A will transpire or occur, or if any of them do so, what benefits that 5N+ will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N+.

The forward-looking statements contained in this MD&A is made as of the date hereof and the Company has no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding certain key elements of the Company's expected financial results, as well as the Company's objectives, strategic priorities and outlook, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Overview

5N+ is a leading global producer of specialty semiconductors and performance materials. The Company's ultra-pure materials often form the core element of its customers' products. These customers rely on 5N+'s products to enable performance and sustainability in their own products. 5N+ deploys a range of proprietary and proven technologies to develop and manufacture its products. The Company's products enable various applications in several key industries, including renewable energy, security, space, pharmaceutical, medical imaging and industrial. Headquartered in Montréal, Quebec, 5N+ operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia.

Vision, Mission and Values

The Company's vision is to enable critical industries through essential products based on advanced material technology and 5N+'s aim is to propel the growth of these markets by developing and manufacturing advanced materials to enable product performance.

The Company's mission is to be critical to its customers, valued by its employees and trusted by its shareholders. The Company's core values are integrity, commitment and customer development, with an emphasis on sustainable development, continuous improvement, and health and safety.

Reporting Segments

The Company has the following two reportable segments: Specialty Semiconductors and Performance Materials. Corresponding operations and activities are managed accordingly by the Company's key decision makers. Segmented operating and financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources. Financial performance of any given segment is evaluated primarily in terms of revenue and Adjusted EBITDA¹, which are reconciled to consolidated numbers considering corporate income and expenses.

Operating in North America and Europe, the Specialty Semiconductors segment manufactures and sells products used in several applications, such as renewable energy, space satellites and imaging. Typical end markets include photovoltaics (terrestrial and space-related solar energy), medical imaging, infrared imaging, optoelectronics and advanced electronics. These products are sold as semiconductor compounds, semiconductor wafers, ultra-high-purity metals, epitaxial semiconductor substrates, space solar cells and assemblies. Revenue and earnings associated with recycling services and activities provided to Specialty Semiconductors customers are captured in this segment.

The Performance Materials segment operates in North America, Europe and Asia and manufactures and sells products that are used in several applications in pharmaceutical and healthcare, and industrial. Main products are sold as active pharmaceutical ingredients, specialized chemicals, commercial grade metals, alloys and engineered powders. All commercial grade metal and engineered powder sales are under Performance Materials. Revenue and earnings associated with recycling services and activities provided to Performance Materials customers are captured in this segment.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses (SG&A), together with financial expenses (income), are grouped under "Corporate".

¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2025 and Q4 2025 Highlights

FY 2025 was a record-setting year for 5N+, one in which the Company reached new heights in financial and operational performance, delivering outstanding growth while navigating a complex environment. Its accelerated year-over-year revenue and Adjusted EBITDA generation, coupled with significant Adjusted gross margin¹ expansion, reflect the Company's disciplined execution of its strategy focused on value-added products in high-growth and critical end markets. This performance is further supported by the depth and flexibility of its global sourcing and manufacturing capabilities and the strength of its strategic, long-term customer relationships.

All amounts are expressed in U.S. dollars.

Contributions from both the Specialty Semiconductors and Performance Materials segments resulted in record consolidated Adjusted EBITDA generation of \$92.4 million for FY 2025, representing a 73% year-over-year increase, thereby exceeded its annual guidance.

The strong performance under Specialty Semiconductors in FY 2025 once again confirmed 5N+'s strategic positioning as the supplier of choice in the high-growth terrestrial renewable energy and space solar power sectors. In FY 2025, revenue was \$285.4 million, representing a 41% increase over FY 2024, while Adjusted gross margin as a percentage of sales¹ was 30.8%, compared to 30.1% in FY 2024. FY 2025 Adjusted EBITDA increased by 59% year-over-year to \$70.1 million, as a result of higher demand in strategic sectors, higher prices net of inflation and favourable unit costs from economies of scale. The Specialty Semiconductors backlog¹ also remained maxed out at year end, with contracted demand extending well beyond 2026 under terrestrial renewable energy and space solar power.

Throughout FY 2025, Specialty Semiconductors marked several milestones across its key end markets. This includes securing a new and expanded specialty semiconductor compound supply agreement with its strategic U.S.-based customer in terrestrial renewable energy under favourable terms. Under the new agreement, the supply of cadmium telluride volumes was increased by 33% for the 2025-2026 period and by 25% for the 2027-2028 period, compared to prior contract levels. Also in FY 2025, the Company successfully increased its solar cell production capacity by 30%. It subsequently confirmed its intention to increase this capacity by an additional 25% by the end of 2026, in line with increases in contracted demand. In early 2026, the Company announced that it has been awarded a US\$18.1 million grant by the U.S. Government to expand capabilities and increase its germanium recycling and refining capacity to feed optics and solar germanium crystal supply chains.

The Company's leadership in high-quality bismuth-based products for health and technical applications, combined with its sourcing and manufacturing flexibility, enabled Performance Materials to capitalize on favourable pricing conditions and generate strong results in FY 2025 despite lower volumes. Segment revenue increased 22% year-over-year to \$105.7 million in FY 2025. Adjusted gross margin as a percentage of sales reached 42.4% in FY 2025, compared to 35.9% in FY 2024, and Adjusted EBITDA increased by 59% year-over-year to \$35.1 million, both metrics positively impacted by a favourable inventory position and product mix, higher prices net of inflation and metal input costs. The backlog for Performance Materials at year end represented 175 days of annualized revenue, 71 days higher than at previous quarter end.

Throughout the year, the Company also further strengthened its financial position, bringing its net-debt-to-EBITDA ratio¹ to 0.54x at December 31, 2025, compared to a ratio of 2.02x at the end of FY 2024.

Financial Highlights

- Revenue in FY 2025 reached \$391.1 million, compared to \$289.3 million in FY 2024, with Q4 2025 increasing by 44% to \$102.0 million, compared to \$70.9 million in Q4 2024. The increase is primarily attributable to higher volumes under Specialty Semiconductors and higher bismuth-based product pricing under Performance Materials.

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- Adjusted EBITDA in FY 2025 reached \$92.4 million, representing a 73% increase compared to \$53.3 million in FY 2024, with Adjusted EBITDA in Q4 2025 increasing by 48% to \$18.5 million, compared to \$12.5 million in Q4 2024, driven by higher volumes in the terrestrial renewable energy and space solar power sectors, and better prices over inflation for space solar power and bismuth-based products.
- Adjusted gross margin in FY 2025 increased by 44% to \$131.8 million compared to FY 2024, favourably impacted by the same factors as above. Adjusted gross margin as a percentage of sales was 33.7% in FY 2025, compared to 31.6% in FY 2024, and 29.1% in Q4 2025, compared to 33.0% in Q4 2024.
- Net earnings were \$50.6 million in FY 2025, compared to \$14.7 million in FY 2024, while net earnings in Q4 2025 were \$7.6 million, compared to \$1.0 million in Q4 2024.
- Backlog stood at \$394.9 million, representing 353 days of annualized revenue as at December 31, 2025, 42 days higher than in the previous quarter.
- Net debt¹ was \$50.3 million as at December 31, 2025, compared to \$100.1 million as at December 31, 2024, reflecting an increase in operating cashflows. The Company's net-debt-to-EBITDA ratio stood at 0.54x as at December 31, 2025.

Outlook

In 2026, 5N+ expects demand in Specialty Semiconductors to remain supported by persistent underlying long-term growth trends, including increased demand for solar energy in part driven by the acceleration of artificial intelligence adoption, and ongoing structural expansion in space-based observation, satellite communication and security applications. As the leading global supplier of ultra-high-purity specialty semiconductor compounds outside China for terrestrial renewable energy and space solar power applications, the Company is well positioned to continue capturing this growing demand.

In imaging and sensing, the Company anticipates medium-term growth opportunities in security and defence applications, while the gradual adoption of advanced detection technologies for medical applications is expected to generate longer term growth opportunities.

In Performance Materials, demand in health and pharmaceuticals, as well as for technical materials is expected to remain broadly in line with GDP growth, consistent with historical trends. After an exceptional year, the Company expects margin trends to normalize for bismuth-based products in 2026 due to anticipated cost pressures.

More broadly, as the geopolitical and economic backdrop continues to evolve, the Company expects its operating environment in 2026 to remain complex, in a rising input and operating cost environment. In this context, the Company will remain focused on the disciplined execution of its growth plans, including scaling production and increasing capacity in strategic sectors to meet customer demand, as well as driving productivity and operational efficiency across its footprint. The Company also intends to continue pursuing growth opportunities that will further strengthen its advanced materials value chain and leadership in growing end markets.

Supported by the Company's expansion in high-growth end markets primarily in Specialty Semiconductors and based on existing contracts and anticipated demand, 5N+ expects to generate Adjusted EBITDA of between \$100 and \$105 million in FY 2026, with a higher contribution in the second half of the year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Results

(in thousands of U.S. dollars, except per share amounts)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Revenue	101,968	70,854	391,062	289,281
Adjusted operating expenses ¹	(83,518)	(58,370)	(298,619)	(235,949)
Adjusted EBITDA	18,450	12,484	92,443	53,332
Share-based compensation (expense) recovery	(497)	(309)	1,429	(906)
Gain on disposal of property, plant and equipment	-	-	-	2,089
(Impairment) reversal of impairment of non-current assets	(475)	120	(475)	(2,706)
ERP implementation costs	(586)	-	(1,245)	-
Loss on remeasurement of financial instrument	(313)	(1,000)	(1,313)	(1,000)
Litigation and restructuring income (costs)	969	(769)	969	(1,790)
Foreign exchange (loss) gain	(613)	(286)	720	549
EBITDA¹	16,935	10,240	92,528	49,568
Interest on long-term debt, imputed interest and other interest expense	2,091	2,446	9,454	9,169
Depreciation and amortization	4,422	4,373	17,369	16,791
Earnings before income taxes	10,422	3,421	65,705	23,608
Income tax expense (recovery)				
Current	2,783	907	16,386	6,945
Deferred	49	1,508	(1,247)	1,991
	2,832	2,415	15,139	8,936
Net earnings	7,590	1,006	50,566	14,672
Basic earnings per share	\$0.09	\$0.01	\$0.57	\$0.17
Diluted earnings per share	\$0.08	\$0.01	\$0.56	\$0.16

Revenue by Segment and Adjusted Gross Margin

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	Change	FY 2025	FY 2024	Change
	\$	\$		\$	\$	
Specialty Semiconductors	76,179	51,866	47%	285,404	202,329	41%
Performance Materials	25,789	18,988	36%	105,658	86,952	22%
Total revenue	101,968	70,854	44%	391,062	289,281	35%
Cost of sales	(75,929)	(51,104)	49%	(273,566)	(211,413)	29%
Depreciation included in cost of sales	3,646	3,643	-	14,303	13,445	6%
Adjusted gross margin	29,685	23,393	27%	131,799	91,313	44%
Adjusted gross margin percentage	29.1%	33.0%		33.7%	31.6%	

Revenue in Q4 2025 increased by 44%, reaching \$102.0 million, compared to \$70.9 million for the same period last year. Revenue in FY 2025 reached \$391.1 million, compared to \$289.3 million in FY 2024. The increases are primarily attributable to higher volumes in the terrestrial renewable energy and space solar power sectors under Specialty Semiconductors and higher pricing from bismuth-based products under Performance Materials.

Adjusted gross margin increased by 27% to reach \$29.7 million in Q4 2025, compared to \$23.4 million in Q4 2024, and \$131.8 million in FY 2025, compared to \$91.3 million in FY 2024, favourably impacted by higher volumes in strategic sectors under Specialty Semiconductors and better prices over inflation. Adjusted gross margin as a percentage of sales was 29.1% in Q4 2025, compared to 33.0% in Q4 2024, impacted by a slightly less favourable product mix and higher preventive maintenance expenses under Specialty Semiconductors. Adjusted gross margin as a percentage of sales was 33.7% in FY 2025, compared to 31.6% in FY 2024, with a favourable year-over-year product mix and higher pricing over metal input costs under Performance Materials.

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Specialty Semiconductors

Revenue in Q4 2025 was \$76.2 million, compared to \$51.9 million in Q4 2024. In FY 2025, revenue was \$285.4 million, compared to \$202.3 million in FY 2024, supported by higher volumes in the terrestrial renewable energy and space solar power sectors. Adjusted gross margin as a percentage of sales was 25.5% in Q4 2025, compared to 33.3% in Q4 2024, impacted by a slightly less favourable product mix and higher preventive maintenance expenses. Adjusted gross margin as a percentage of sales was 30.8% in FY 2025, compared to 30.1% in FY 2024, favourably impacted by economies of scale from higher production and higher prices net of inflation.

Performance Materials

Revenue in Q4 2025 reached \$25.8 million, compared to \$19.0 million in Q4 2024. In FY 2025, revenue was \$105.7 million, compared to \$87.0 million in FY 2024. Adjusted gross margin as a percentage of sales was 40.9% in Q4 2025, compared to 33.5% in Q4 2024. Adjusted gross margin as a percentage of sales was 42.4% in FY 2025, compared to 35.9% in FY 2024, impacted by a favourable inventory position at the beginning of the period, product mix, higher prices net of inflation and higher metal input costs.

Operating Earnings, EBITDA and Adjusted EBITDA

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	Change	FY 2025	FY 2024	Change
	\$	\$		\$	\$	
Specialty Semiconductors	14,215	12,647	12%	70,059	44,008	59%
Performance Materials	7,767	3,728	108%	35,139	22,072	59%
Corporate	(3,532)	(3,891)	(9%)	(12,755)	(12,748)	-
Adjusted EBITDA	18,450	12,484	48%	92,443	53,332	73%
EBITDA	16,935	10,240	65%	92,528	49,568	87%
Operating earnings	13,126	6,153	113%	74,439	32,228	131%

Adjusted EBITDA in Q4 2025 increased by 48% to \$18.5 million, representing an Adjusted EBITDA margin¹ of 18.1%, compared to \$12.5 million, or an Adjusted EBITDA margin of 17.6%, in Q4 2024. Adjusted EBITDA increased by 73% to \$92.4 million in FY 2025, compared to \$53.3 million in FY 2024.

In Q4 2025, EBITDA reached \$16.9 million, compared to \$10.2 million in Q4 2024. In FY 2025, EBITDA increased by 87% to \$92.5 million, compared to \$49.6 million in FY 2024. The increases of \$6.7 million and \$43.0 million, respectively, are mainly explained by an increase in Adjusted EBITDA. The items reconciling Adjusted EBITDA to EBITDA are share-based compensation expense (recovery), impairment of non-current assets, ERP implementation costs, loss on remeasurement of financial instrument, litigation and restructuring income and foreign exchange loss (gain). For more information, see the "Expenses" section.

In Q4 2025, operating earnings amounted to \$13.1 million, compared to operating earnings of \$6.2 million in Q4 2024, impacted by the same factors as mentioned above. In FY 2025, operating earnings amounted to \$74.4 million, compared to \$32.2 million in FY 2024.

Specialty Semiconductors

Adjusted EBITDA in Q4 2025 increased by \$1.6 million, or 12%, to reach \$14.2 million, representing an Adjusted EBITDA margin of 18.7%, compared to 24.4% in Q4 2024 impacted by a slightly less favourable product mix and higher preventive maintenance expenses. Adjusted EBITDA in FY 2025 increased by \$26.1 million to \$70.1 million, representing an Adjusted EBITDA margin of 24.5%, compared to 21.8% for the same period in 2024. The increase is primarily attributable to higher demand in the terrestrial renewable energy and space solar power sectors, higher prices net of inflation and favourable unit costs from economies of scale.

Performance Materials

Adjusted EBITDA in Q4 2025 increased by \$4.0 million, or 108%, and reached \$7.8 million, representing an Adjusted EBITDA margin of 30.1%, compared to 19.6% in Q4 2024. Adjusted EBITDA in FY 2025 increased by \$13.1 million to \$35.1 million, representing an Adjusted EBITDA margin of 33.3%, compared to 25.4% in the same period in 2024. The

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MANAGEMENT'S DISCUSSION AND ANALYSIS

increase is primarily attributable to a favourable inventory position at the beginning of the period, product mix, higher prices net of inflation and higher metal input costs.

Net Earnings and Adjusted Net Earnings

(in thousands of U.S. dollars, except per share amounts)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Net earnings	7,590	1,006	50,566	14,672
Basic earnings per share	\$0.09	\$0.01	\$0.57	\$0.17
Reconciling items:				
Share-based compensation expense (recovery)	497	309	(1,429)	906
Gain on disposal on property, plant and equipment	-	-	-	(2,089)
Impairment (reversal of impairment) of non-current assets	475	(120)	475	2,706
ERP implementation costs	586	-	1,245	-
Loss on remeasurement of financial instrument	313	1,000	1,313	1,000
Litigation and restructuring (income) costs	(969)	769	(969)	1,790
Income tax (recovery) expense on taxable items above	(121)	(181)	216	(598)
Adjusted net earnings¹	8,371	2,783	51,417	18,387
Basic adjusted earnings per share¹	\$0.09	\$0.03	\$0.58	\$0.21

In Q4 2025, net earnings were \$7.6 million, or \$0.09 per share, compared to net earnings of \$1.0 million, or \$0.01 per share, in Q4 2024, positively impacted by higher year-over-year Adjusted EBITDA when compared to Q4 2024. Adjusted net earnings were \$8.4 million, or \$0.09 per share, in Q4 2025, compared to \$2.8 million, or \$0.03 per share, in Q4 2024.

In FY 2025, net earnings were \$50.6 million, or \$0.57 per share, compared to \$14.7 million, or \$0.17 per share, in FY 2024. Adjusted net earnings were \$51.4 million, or \$0.58 per share, in FY 2025, compared to \$18.4 million or \$0.21 per share in FY 2024.

Excluding income tax expense, the items reconciling Adjusted net earnings in Q4 2025 and FY 2025 are share-based compensation expense (recovery), impairment of non-current assets, ERP implementation costs, loss on remeasurement of financial instrument, and litigation and restructuring income. For more information, see the "Expenses" section.

Backlog and Bookings

(in thousands of U.S. dollars)	BACKLOG			BOOKINGS ¹		
	Q4 2025	Q3 2025	Q4 2024	Q4 2025	Q3 2025	Q4 2024
	\$	\$	\$	\$	\$	\$
Specialty Semiconductors	345,582	323,860	216,911	97,901	122,668	50,577
Performance Materials	49,329	33,678	35,920	41,440	29,736	23,415
Total	394,911	357,538	252,831	139,341	152,404	73,992

(number of days based on annualized revenue)*	BACKLOG			BOOKINGS		
	Q4 2025	Q3 2025	Q4 2024	Q4 2025	Q3 2025	Q4 2024
Specialty Semiconductors	365	365	365	117	149	89
Performance Materials	175	104	173	147	91	113
Weighted average	353	311	326	125	133	95

* Backlog and bookings are also presented in number of days to normalize the impact of commodity prices.

Q4 2025 vs. Q3 2025

Backlog on December 31, 2025, represented 353 days of annualized revenue, 42 days higher than the backlog on September 30, 2025.

The backlog for Specialty Semiconductors represented 365 days of annualized revenue which is the same level as at September 30, 2025. While the estimated number of days based on annualized revenue cannot exceed 365 days per the

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Company's definition of backlog, the effective backlog under Specialty Semiconductors for the terrestrial renewable energy and space solar power sectors specifically surpassed the next twelve months on December 31, 2025.

The backlog for Performance Materials represented 175 days of annualized revenue, 71 days higher than the backlog on September 30, 2025, mainly due to the timing of contract signing and/or renewals, net of the quarterly realization of long-term contracts.

Bookings for Specialty Semiconductors decreased by 32 days from 149 days in Q3 2025 to 117 days in Q4 2025. Bookings for Performance Materials in Q4 2025 increased by 56 days, from 91 days in Q3 2025 to 147 days in Q4 2025. Bookings are calculated by adding revenue to the increase or decrease in backlog for the period divided by annualized revenue. As such, the increase or decrease in bookings is attributable to the same factors as the increase or decrease in backlog.

Q4 2025 vs. Q4 2024

Backlog for Specialty Semiconductors on December 31, 2025, was at the same level as on December 31, 2024, at 365 days. Backlog for Performance Materials on December 31, 2025, represented 175 days, an increase of 2 days when compared to 173 days on December 31, 2024.

Bookings increased by 28 days for Specialty Semiconductors and by 34 days for Performance Materials when compared to Q4 2024.

Expenses

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Depreciation and amortization	4,422	4,373	17,369	16,791
SG&A	9,846	9,857	35,049	34,026
Share-based compensation expense (recovery)	497	309	(1,429)	906
Gain on disposal of property, plant and equipment	-	-	-	(2,089)
Impairment (reversal of impairment) of non-current assets	475	(120)	475	2,706
ERP implementation costs	586	-	1,245	-
Loss on remeasurement of financial instrument	313	1,000	1,313	1,000
Litigation and restructuring (income) costs	(969)	769	(969)	1,790
Financial expense	2,704	2,732	8,734	8,620
Income tax expense	2,832	2,415	15,139	8,936
Total expenses	20,706	21,335	76,926	72,686

Depreciation and Amortization

Depreciation and amortization expenses in Q4 2025 and FY 2025 amounted to \$4.4 million and \$17.4 million, respectively, compared to \$4.4 million and \$16.8 million, respectively, for the same periods in 2024.

SG&A

Sales, General & Administrative ("SG&A") expenses in Q4 2025 and FY 2025 were \$9.8 million and \$35.0 million, respectively, compared to \$9.9 million and \$34.0 million, respectively, for the same periods in 2024.

Share-based Compensation Expense (Recovery)

Share-based compensation expense in Q4 2025 amounted to \$0.5 million compared to \$0.3 million in Q4 2024. In FY 2025, share-based compensation recovery amounted to \$1.4 million, compared to a share-based compensation expense of \$0.9 million in FY 2024. The Company holds a total return swap to reduce its exposure to its share price fluctuations relating to Deferred Share Units, Performance Share Units, Restricted Share Units and Stock Appreciate Rights for a volume slightly above the current outstanding granted volume.

Gain on Disposal of Property, Plant and Equipment ("PPE")

During Q3 2024, the Company recognized a gain of \$2.1 million in relation to the sale of unused production equipment under Performance Materials following the Company's decision to switch to higher capacity equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Impairment of Non-Current Assets

During Q4 2025, the Company recorded an impairment of non-current assets of \$0.5 million in relation to PPE included within the Performance Materials segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to discontinue production of a minor product.

During Q3 2024, the Company recorded an impairment of non-current assets of \$1.7 million in relation to intangible assets under Performance Materials, to reflect the assessment of the carrying value of technology and development costs following the Company's sale of unused production equipment.

During Q3 2024, the Company recorded an impairment of non-current assets of \$0.6 million in relation to PPE under Performance Materials, to reflect the assessment of the carrying value of production equipment following the Company's decision to prioritize certain production operations to support the Company's core business. The impairment was subsequently reversed in Q4 2024 by \$0.1 million after a revision in estimates of the cash inflows related to the asset's disposal, bringing the impairment to \$0.5 million for FY 2024.

During Q2 and Q3 2024, the Company recorded an impairment of non-current assets of \$0.3 million and \$0.3 million, respectively, in relation to PPE under Specialty Semiconductors, to reflect the assessment of the carrying value of production equipment following the Company's decision to discontinue construction of the asset.

ERP Implementation Costs

Enterprise Resource Planning ("ERP") implementation costs of \$0.6 million and \$1.2 million were incurred in Q4 2025 and FY 2025, respectively, in relation to project implementation at the Company's Montréal, Quebec site. The project is expected to extend into 2026.

Loss on Remeasurement of Financial Instrument

During Q4 2025, a remeasurement loss on financial assets of \$0.3 million was recorded based on revised estimates of the fair value of the Company's equity instrument in Microbion Corporation (Microbion). This is in addition to the remeasurement loss recorded during Q2 2025 of \$1.0 million, for a total remeasurement loss of \$1.3 million in FY 2025, compared to \$1.0 million in FY 2024. The revised estimates of the fair value of the Company's equity instrument in Microbion reflect the increased difficulties for pharmaceutical research companies to raise capital.

Litigation and Restructuring Costs

In Q4 2025, the Company recorded litigation and restructuring income of \$1.3 million related deposits which are no longer refundable to clients, and litigation and restructuring costs of \$0.4 million related to changes in management.

In Q4 2024, the Company recorded litigation and restructuring costs of \$0.4 million related to site closures in Asia, \$0.2 million related to changes in management and \$0.2 million in charges associated with outsourcing the accounting and controls department of a subsidiary.

In Q3 2024, the Company recorded litigation and restructuring costs comprised of a provision of \$0.4 million related to a deposit for which it is probable that it is refundable to a client, \$0.4 million related to site closures in Asia and \$0.2 million related to changes in management.

Financial Expense

Financial expense amounted to \$2.7 million in Q4 2025, compared to \$2.7 million in Q4 2024. In FY 2025, financial expense amounted to \$8.7 million, compared to \$8.6 million in FY 2024.

Income Taxes

The Company reported earnings before income taxes of \$10.4 million in Q4 2025 and of \$65.7 million in FY 2025. Income tax expense in Q4 2025 and FY 2025 was \$2.8 million and \$15.1 million, respectively, compared to \$2.4 million and \$8.9 million, respectively, in the same periods in 2024. Both years were impacted by deferred tax assets applicable only in certain jurisdictions.

Liquidity and Capital Resources

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Cash from operations before the following:	13,355	6,958	69,847	35,480
Net changes in non-cash working capital items	7,642	(10,011)	(2,457)	(42,366)
Cash from (used in) operating activities	20,997	(3,053)	67,390	(6,886)
Cash used in investing activities	(6,796)	(2,459)	(13,899)	(17,980)
Cash (used in) from financing activities	(6,787)	3,233	(16,452)	12,388
Effect of foreign exchange rate changes on cash	(33)	(144)	392	(86)
Net increase (decrease) in cash	7,381	(2,423)	37,431	(12,564)

In Q4 2025, cash from operating activities amounted to \$21.0 million, compared to cash used in operating activities of \$3.1 million for the same period in 2024. In FY 2025, cash from operating activities amounted to \$67.4 million, compared to cash used in operating activities of \$6.9 million in FY 2024. The positive variance of \$74.3 million is due to a higher contribution in cash from operations of \$34.4 million from higher EBITDA and a favourable variance in working capital requirements of \$39.9 million.

In Q4 2025, cash used in investing activities amounted to \$6.8 million, compared to \$2.5 million in Q4 2024. In FY 2025, cash used in investing activities amounted to \$13.9 million, compared to \$18.0 million in FY 2024. The positive variance of \$4.1 million is mainly explained by the proceeds on settlement of the Company's total return swap renewed in Q1 2025, resulting in a receipt of cash of \$6.9 million, partially offset by a decrease in proceeds of disposition on property, plant and equipment of \$4.2 million. The residual variance is primarily explained by an outflow of \$1.0 million in FY 2024 to increase the Company's minority equity stake in Microbion Corporation.

In Q4 2025, cash used in financing activities amounted to \$6.8 million, compared to cash from financing activities of \$3.2 million in Q4 2024. In FY 2025, cash used in financing activities amounted to \$16.5 million, compared to cash generated in financing activities of \$12.4 million in FY 2024, creating a negative variance of \$28.8 million. In FY 2024, the Company needed to draw down funds from its credit facility to repay a portion of its subordinated loan as well as for investment purposes. In FY 2025, the Company had the capacity to reimburse a portion of its credit facility given its strong operating cashflows.

Working Capital

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Inventories	163,727	137,823
Other current assets	138,448	79,572
Current liabilities	(109,299)	(60,481)
Working capital¹	192,876	156,914
Working capital ratio¹	2.76	3.59

Working capital increased by \$36.0 million as at December 31, 2025, to \$192.9 million, compared to \$156.9 million as at December 31, 2024, due to an increase in other current assets of \$58.9 million from higher revenue and an increase in inventory of \$25.9 million to support demand, partially offset by higher current liabilities of \$48.8 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Debt

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Bank indebtedness	-	-
Long-term debt including current portion	109,837	122,203
Total debt¹	109,837	122,203
Cash	(59,573)	(22,142)
Net debt	50,264	100,061

Total debt stood at \$109.8 million as at December 31, 2025, compared to \$122.2 million as at December 31, 2024.

Net debt, after considering cash, decreased by \$49.8 million, to \$50.3 million as at December 31, 2025, from \$100.1 million as at December 31, 2024.

Available Short-term Capital Resources

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Cash	59,573	22,142
Available revolving credit facility	63,500	18,500
Available short-term capital resources	123,073	40,642

In March 2025, the Company signed a senior secured multi-currency revolving credit facility of \$154.0 million maturing in March 2029 to replace its \$124.0 million senior secured revolving facility maturing in April 2026. At any time, the Company has the option to request that the credit facility be expanded through the exercise of an additional \$50.0 million accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in U.S. dollars, Canadian dollars or Hong Kong dollars (up to \$4.0 million). Drawings bear interest at either the Canadian prime rate, U.S. base rate, Hong Kong base rate, SOFR or CORRA, plus a margin based on the Company's senior net-debt-to-consolidated-EBITDA ratio. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at December 31, 2025, and December 31, 2024, the Company had met all covenants.

In addition, in March 2025, the Company received CA\$1.3 million from Canada Economic Development for Quebec Regions with respect to an interest-free term loan with a maximum drawdown of CA\$3.0 million dependent upon eligible capital expenditures, bringing the Company's total drawdown to CA\$2.5 million. The Company will benefit from a two-year repayment moratorium period on the interest-free loan ending on December 31, 2027. Subsequently, the loan is reimbursable in monthly instalments over a period of five years.

In October 2025, the Company received CA\$2.6 million from Investissement Québec with respect to a term loan with a maximum drawdown of CA\$8.0 million dependent upon eligible capital expenditures related to investments in its Montréal production facility. The new term loan bears interest equivalent to the seven-year Québec government bonds which amount to 4.01%. Subject to the satisfaction of certain criteria, an amount up to CA\$2.0 million of the loan may be forgiven. The loan is reimbursable in monthly instalments of CA\$0.1 million over a period of five years, with any remaining amount of the loan which is not forgiven, payable at the end of the five-year period.

Share Information

	As at February 24, 2026	As at December 31, 2025
Issued and outstanding shares	89,074,051	89,074,051
Stock options potentially issuable	1,184,924	1,184,924

¹ These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. See Non-IFRS Measures for more information.

Restricted Share Unit (“RSU”) and Performance Share Unit (“PSU”) Plan

The RSU & PSU Plan enables the Company to award eligible participants: (i) phantom RSUs that vest no later than three years following the grant date; and (ii) phantom PSUs that vest after certain periods of time, not exceeding three years, and subject to the achievement of certain performance criteria as determined by the Board of Directors. Such RSU & PSU Plan provides for the settlement of RSUs and PSUs through either cash or the issuance of common shares of the Company from treasury, for an amount equivalent to the volume weighted average of the trading price of the common shares of the Company on the Toronto Stock Exchange for the five trading days immediately preceding the applicable RSU vesting determination date or PSU vesting determination date.

For FY 2025, the Company granted 81,238 RSUs (2024 – 121,870), 92,496 RSUs were paid (FY 2024 – 75,542) and 4,152 RSUs were forfeited (FY 2024 – 4,500). As at December 31, 2025, 346,314 RSUs were outstanding (2024 – 361,724).

As at December 31, 2025, nil PSUs were outstanding (2024 – nil).

Stock Option Plan

In 2011, the Company adopted a stock option plan (the “Stock Option Plan”) under which a maximum number of options granted cannot exceed 5 million. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years from the date of grant. The stock options outstanding on December 31, 2025, may be exercised during a period not exceeding six years from their date of grant. Unless the Board of Directors decides otherwise at its sole discretion, options vest at a rate of 25% (100% for directors) per year, beginning one year following the grant date of the options. Any unexercised options will expire one month after the date beneficiary ceases to be an employee, director or officer (collectively the “optionee”) and one year after the optionee’s death, retirement or permanent disability, as the case may be, or prior to the expiration of the term of the option, whichever occurs earlier.

The following table presents information concerning all outstanding stock options:

	2025		2024	
	Number of options	Weighted average exercise price CA\$	Number of options	Weighted average exercise price CA\$
Outstanding, beginning of year	1,166,705	1.99	1,365,162	1.90
Granted	68,219	6.85	139,620	4.47
Exercised	(31,250)	2.81	(338,077)	2.63
Forfeited	(18,750)	4.38	-	-
Outstanding, end of year	1,184,924	2.21	1,166,705	1.99
Exercisable, end of year	767,142	1.72	523,013	1.64

Off-balance Sheet Arrangements

The Company has limited off-balance sheet arrangements since most of its leases are recognized on the consolidated statement of financial position. Any off-balance sheet arrangements consist of contractual obligations in the normal course of business.

The Company is exposed to currency risk on sales in euros and other currencies, as well as interest rate fluctuations on its credit facility, and, therefore, may periodically enter into foreign currency forward contracts and interest rate or foreign currency swap contracts to protect itself against interest rate and currency fluctuations. The reader will find more details related to these contracts in Notes 18 and 26 of the audited consolidated financial statements for the year ended December 31, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table reflects the contractual cash flows of the Company's financial liabilities as at December 31, 2025:

(in thousands of U.S. dollars)	Carrying amount	1 year	2 years	3 years	4 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$	\$
Trade and accrued liabilities	79,096	79,096	-	-	-	-	79,096
Long-term debt	109,837	7,561	7,597	20,985	92,494	1,155	129,792
Lease liabilities	30,153	3,176	3,050	3,058	3,214	23,859	36,357
Total	219,086	89,833	10,647	24,043	95,708	25,014	245,245

Contractual cash flows subject to floating interest rates or denominated in foreign currencies are based on the spot rate in effect on December 31, 2025.

Commitments

In the normal course of business, the Company contracted letters of credit for an amount of \$0.3 million as at December 31, 2025, and of \$0.2 million as at December 31, 2024.

Contingencies

In the normal course of business, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

Governance

As required by Multilateral Instrument 52-109 of the Canadian Securities Administrators ("MI 52-109"), 5N+ has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, attest to the design of the disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure Controls and Procedures

The CEO and the CFO have designed disclosure controls and procedures ("DC&P"), or have caused them to be designed under their supervision, to provide reasonable assurance that:

- Material information relating to the Company has been made known to them; and
- Information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation of the effectiveness of the Company's disclosure controls and procedures was carried out under the supervision of the CEO and CFO. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal controls over financial reporting (ICFR) or have caused them to be designed under their supervision, using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Due to their intrinsic limitations, DC&P and ICFR only provide reasonable assurance and may not prevent or detect all misstatement or errors.

Changes in Internal Control over Financial Reporting

No changes were made to the ICFR during the fiscal year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the ICFR.

Adoption of New Accounting Standards and Future Changes in Accounting Policies

Adoption of New Accounting Standards

For the year ended December 31, 2025, the Company evaluated the new accounting standards issued and effective under IFRS Accounting Standards and determined that they have no significant impact on its consolidated financial statements.

Future Changes in Accounting Policies

The following standards have been issued but are not yet effective:

IFRS 9 and IFRS 7 – Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 pertaining to the Classification and Measurement of Financial Instruments. Notably, the amendments include guidance relating to the recognition and derecognition date of certain financial assets and liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The implementation of this standard is not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 – Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 as a replacement to IAS 1 Presentation of Financial Statements. The new standard includes a prescribed structure for the Statement of Earnings, disclosure requirements for management-defined performance measures and guidance on the aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

Significant Management Estimation and Judgment in Applying Accounting Policies

The following are significant management judgments used in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Estimation uncertainty

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenues and expenses are discussed below.

Impairment of non-financial assets

Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable, which requires significant judgement.

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's ("CGU") carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value in use.

To determine the recoverable amount, significant judgement is required as management must estimate expected future cash flows from the asset or CGU and it must determine a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results using the estimated forecasted prices obtained from various market sources. These key assumptions relate to future events and circumstances. The actual results will vary and may cause adjustments to the Company's assets in future periods. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and to asset-specific risk factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Inventories

Inventories are carried at the lower of cost and net realizable value, with cost determined using the average cost method. In estimating net realizable values, management takes into account the most reliable evidence available at the time the estimates are made. The Company's core business is subject to changes in foreign policies and internationally accepted metal prices which may cause future selling prices to change rapidly. The Company evaluates its inventories using a group of similar items basis and considers expected future prices as well as events that have occurred between the consolidated statement of financial position date and the date of the completion of the consolidated financial statements. Net realizable value for inventory to satisfy a specific sales contract is measured at the contract price.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Company has deferred income tax assets that are subject to periodic recoverability assessments. Realization of the Company's deferred income tax assets is largely dependent on its achievement of projected future taxable income and the continued applicability of ongoing tax planning strategies. The Company's judgments regarding future profitability may change due to future market conditions, changes in tax legislation and other factors that could adversely affect the ongoing value of the deferred income tax assets. These changes, if any, may require a material adjustment of these deferred income tax asset balances through an adjustment to the carrying value thereon in the future. This adjustment would reduce the deferred income tax asset to the amount that is considered to be more likely than not to be realized and would be recorded in the period such a determination was to be made. Refer to note 17 of the audited consolidated financial statements for the year ended December 31, 2025.

Related Party Transactions

The Company's related parties are its directors and executive members. Transactions with these related parties are described in Note 25 in the 2025 audited consolidated financial statements of the Company.

Financial Instruments and Risk Management

Fair Value of Financial Instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company's financial instruments and their fair value is discussed in Note 18 – Fair Value of Financial Instruments of the audited consolidated financial statements for the year ended December 31, 2025.

The fair value of the financial instruments was as follows:

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Total return swap	19,593	6,978
Investment in equity instruments	1,687	3,000
Restricted investment	515	507

Financial Risk Management

For a detailed description of the nature and extent of risks arising from financial instruments, and their related risk management, refer to Note 26 of the audited consolidated financial statements for the year ended December 31, 2025.

Interest Rate

Interest rate risk refers to the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's policy is to limit its exposure to interest rate risk fluctuation by ensuring that a reasonable portion of its long-term debt is made of subordinated debts at fixed rate. The Company is exposed to interest rate fluctuations on its

revolving credit facility, which bears a floating interest rate. A 1% increase/decrease in interest rates would have an impact of approximately \$0.9 million on the Company's earnings before income tax on a twelve-month horizon based on the balance outstanding on December 31, 2025.

Foreign Currency

Foreign currency risk is defined as the Company's exposure to a gain or a loss in the value of its financial instruments as a result of fluctuations in foreign exchange rates. The Company is exposed to foreign exchange rate variability primarily in relation to certain sales commitments, expected purchase transactions, certain local operating expenses and debt denominated in a foreign currency. In addition, these operations have exposure to foreign exchange rates primarily through cash and other working capital accounts denominated in currencies other than their functional currencies.

In addition, the Company will occasionally enter into foreign exchange forward contracts to sell U.S. dollars in exchange for Canadian dollars and euros. These contracts would hedge a portion of ongoing foreign exchange risk on the Company's cash flows since much of its non-US dollar expenses are incurred in Canadian dollars and Euros. The Company may also enter into foreign exchange contracts to sell Euros for U.S. dollars. As at December 31, 2025, the Company had no foreign exchange contracts outstanding.

The following table summarizes in U.S. dollar equivalents the Company's major currency exposures of the Company's US dollar functional currency operations as at December 31, 2025:

(in thousands of U.S. dollars)	CAD	EUR	GBP	HKD	MYR	Other
	\$	\$	\$	\$	\$	\$
Cash	1,012	4,719	77	26	55	10
Accounts receivable	1,408	6,687	-	-	1	-
Derivative financial assets	19,593	-	-	-	-	-
Other current assets	-	2,200	-	-	-	-
Other non-current assets	-	515	-	-	-	-
Trade and accrued liabilities	(34,762)	(10,195)	(322)	(195)	(175)	(92)
Long-term debt	(4,337)	-	-	-	-	-
Lease liabilities	(7,893)	(474)	-	(69)	-	-
Net financial assets (liabilities)	(24,979)	3,452	(245)	(238)	(119)	(82)

The following table shows the impact on earnings before income tax of a five-percentage point strengthening or weakening of foreign currencies against the U.S. dollar as at December 31, 2025 for the Company's financial instruments denominated in non-functional currencies:

(in thousands of U.S. dollars)	CAD	EUR	GBP	HKD	MYR	Other
	\$	\$	\$	\$	\$	\$
5% Strengthening	(1,249)	173	(12)	(12)	(6)	(4)
5% Weakening	1,249	(173)	12	12	6	4

For the Company's subsidiaries with a functional currency other than the U.S. dollar, their exposures of financial assets and financial liabilities denominated in U.S. dollars are \$6.5 million and \$0.3 million, respectively, with a net position of \$6.2 million. A strengthening or weakening in the exchange rate between the functional currencies of these subsidiaries and the U.S. dollar of five-percentage points results in a decrease or increase of \$0.3 million to earnings before income tax.

Credit

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result, create a financial loss for the Company. The Company has a credit policy that defines standard credit practice. This policy dictates that all new customer accounts be reviewed prior to approval and establishes the maximum amount of credit exposure per customer. The creditworthiness and financial well-being of the customer are monitored on an ongoing basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for trade receivables. The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. Historically, the Company has not incurred any significant losses in respect of its trade receivables. Therefore, the loss allowance at the end of each period and the change recorded for each period is insignificant.

As at December 31, 2025 and 2024, the Company had a loss allowance of \$nil and \$nil, respectively. The loss allowance is included in selling, general and administrative expenses in the consolidated statement of earnings (loss) and is net of any recoveries that were provided for in prior periods.

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. It also manages liquidity risk by continually monitoring actual and projected cash flows, taking into account the Company's sales and receipts and matching the maturity profile of financial assets and financial liabilities. The Board of Directors reviews and approves the Company's annual operating and capital budgets as well as any material transactions out of the ordinary course of business, including proposals on acquisitions and other major investments. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants. To comply with these covenants, the Company will need to execute on its EBITDA and cash flow estimates. Management believes that the assumptions used by the Company in preparing its estimates are reasonable. However, risk remains. Successful achievement of these estimates results is dependent on stability in the price of metals and other raw materials, the reduction of debt due to the optimization of the Company's working capital and the continued viability and support of the Company's banks.

Risk and Uncertainties

In the normal course of business, the Company is subject to a number of risk factors which may limit its ability to execute on its strategy and achieve its long-term growth objectives. Management identifies these risks and implement strategies to minimize their impact on the Company's performance. The Audit Committee together with the Corporate Internal Audit and site leadership teams have the mandate to review all business risks semi-annually. The risks and risk reduction measures are presented to the Audit Committee and the Board of Directors on an ongoing basis. The realization of the risks described in any of the following risk factors could have a material adverse effect on the Company's business, results of operations and financial condition.

Risks and uncertainties not presently known to the Company or that the Company currently considers as not material could become material in the future or impair its business operations or cause a decline in the price of shares.

Global Economic Conditions

The Company operates in a volatile economic environment. Current global economic conditions, which have been subject to increased volatility and contraction in credit markets, may impact the Company's access to public financing, its ability to obtain equity or debt financing on favourable terms and the valuation of the Company's securities. As a result, if unemployment, interest or inflation rates fluctuate substantially or increase to significant levels, they could have an impact on the Company's operating activities, financial position and profitability. In addition, the Company is exposed to market risk related to the global inflationary situation, as well as the various environmental, social, political, economic, and health factors which have had significant consequences on the world economy. The decisions by central banks to tighten their monetary policies may have an impact on interest rates, foreign currency exchange rates and economic development. The risks of depressed economic conditions, a recession, interest rate changes, inflation, tariffs, sanctions, trade restrictions, political instability, armed conflicts, war and terrorism, in one or several of the countries where the Company operates could have an adverse impact on the Company's net earnings, financial position or cash flows.

International Operations

The Company operates in several countries, including China, and as such, faces risks associated with international business activities. The Company could be significantly affected by such risks, which include, but are not limited to, the integration of international operations, challenges associated with dealing with numerous legal and tax systems, changes

in policy that alter regulations impacting the Company's operations, the potential for volatile economic and labor conditions, political instability, foreign exchange, expropriation, changes in taxes, and other regulatory costs. Although the Company operates primarily in countries with relatively stable economic and political climates, there can be no assurance that its business will not be adversely affected by the risks inherent in international operations. The continued changes to, deferral of, and announcement of the imposition of new tariffs by the U.S. administration and other foreign governments create uncertainty in the global economic outlook, including with respect to potential protectionist trade measures that could trigger retaliatory actions from affected countries. These measures, and the resulting geopolitical tension, could have a material negative impact on our business, customers and suppliers.

The following conditions or events could disrupt its supply chain, interrupt production at its facilities or those of its suppliers or customers, increase its cost of sales and other operating expenses, result in material asset losses, or require additional capital expenditures to be incurred:

- fires, pandemics (including regional and global infectious diseases), extraordinary weather conditions, or natural disasters, such as hurricanes, tornadoes, floods, tsunamis, typhoons and earthquakes;
- political instability, social and labor unrest, war or terrorism;
- disruptions in port activities, shipping and freight forwarding services;
- interruptions in the availability of basic services and infrastructure, including power and water shortages;
- changes in a specific country's or region's economic conditions, such as a recession;
- new certification requirements;
- significant fluctuations in currency exchange rates;
- the ongoing invasion of Ukraine by Russia;
- the conflict in Israel and Gaza Strip;
- new trade barriers, including import and export imposed restrictions;
- the imposition of tariffs on its products or input; and
- change to legal, political, social, cultural, tax or other regulatory requirements.

The Company's insurance programs do not cover every potential loss associated with its operations, including potential damage to assets, lost profits and liability that could result from the aforementioned conditions or events. In addition, its insurance may not fully cover the consequences resulting from a loss event, due to insurance limits, sub-limits, or policy exclusions. Any occurrence not fully covered by insurance could have a negative effect on its business.

Risks Related to China

The legal system in mainland China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little precedential value. The legal system in mainland China evolves rapidly, and the interpretations of many laws, regulations and rules may contain inconsistencies and their interpretation and enforcement involve uncertainties. These uncertainties could limit the legal protections available to the Company. In addition, the Company cannot predict the effect of future developments in the mainland Chinese legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the pre-emption of local regulations by national laws. Such unpredictability towards the Company's contractual, property (including intellectual property) and procedural rights could adversely affect the Company's business and impede its ability to continue operations. Furthermore, any litigation in mainland China may be protracted and result in substantial costs and diversion of resources and management attention.

The mainland Chinese government exercises significant control over mainland China's economic growth through strategically allocating resources, imposing import and export restrictions, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any growth in the Chinese economy may not continue and any slowdown may have a negative effect on the Company's business. Any adverse changes in economic conditions in mainland China, in the policies of the mainland Chinese government or in the laws and regulations in mainland China, could have a material adverse effect on the overall economic growth of mainland China. Such developments could adversely affect the Company's business, lead to reduction in demand for its products, impact sourcing of materials and products out of China, and adversely affect the Company's competitive position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Environmental Regulations

The Company's operations involve the use, handling, generation, processing, storage, transportation, recycling and disposal of hazardous materials and are subject to extensive environmental laws and regulations at the local, provincial, national, and international level. These environmental laws and regulations include those governing the discharge of pollutants into the air and water, the use, management and disposal of hazardous materials and wastes, the clean-up of contaminated sites, and public and occupational health and safety. Failure to comply with such laws, regulations and permits can have serious consequences, including damage to its reputation; stopping it from pursuing operations at one of its facilities; being subject to substantial fines, penalties, criminal proceedings, third party property damage or personal injury claims, clean-up costs, capital expenditures or other costs; increasing the costs of development or production and litigation or regulatory action against it, and materially adversely affecting its business, results of operations or financial condition. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, and a heightened degree of responsibility for the Company and its officers, directors and employees. Future changes in applicable environmental and health and safety laws and regulations could substantially increase costs and burdens to achieve or maintain compliance or otherwise have an adverse impact on its business, results of operations or financial condition.

The Company has incurred and will continue to incur capital expenditures to comply with environmental laws and regulations. Exceedances in wastewater discharges and air emissions generated by some Company facilities over the limits prescribed in applicable laws and permits have been registered in the past. At such facilities, the Company is collaborating with governmental authorities and implementing various measures including upgrading equipment to ensure compliance. Management believes that dealing with these environmental compliance issues will not have a material effect on the Company's earnings or competitive position during fiscal 2026. Future developments, such as more aggressive enforcement policies, the implementation of new, more stringent laws and regulations, or the discovery of currently unknown environmental conditions, may require expenditures that could have a material adverse effect on its business, results of operations and financial condition.

Crisis and Climate Change Management

Unexpected events including geopolitical crises, pandemic and epidemic outbreaks, catastrophes and natural disasters, such as extreme and increasingly frequent weather-related disasters linked to climate change, could have a negative impact on the continuation and results of the Company's operations as well as its suppliers'.

Environmental, Social and Governance (ESG) Considerations

The Company could be subject to growing stakeholder expectations as it relates to ESG factors, including from investors, who are increasingly placing a greater emphasis on ESG factors when assessing investment options. Future investments made in the Company, or future partnerships or business relations made with the Company may depend on various ESG standards and failure to meet evolving standards may impact the Company's reputation and ability to access capital.

Safety Risks and Hazards

The Company's health, safety and wellbeing systems, processes and policies are aimed at reducing risks to employees, subconsultants and others; however, work sites can put employees and others in proximity with large equipment, moving vehicles, dangerous processes or highly regulated materials in challenging or remote locations which may increase the risk to health and safety. Failure to implement or follow appropriate safety procedures by the Company or others could result in personal injury, illness or loss of life to people, or environmental and other damage to the Company's property or the property of others, or in regulatory fines or civil suits.

Geopolitical Uncertainty

The war in Ukraine has deeply disturbed the global economy and the outcome of the ongoing conflict remains uncertain at this time. Although its wholly-owned subsidiary, AZUR SPACE Solar Power GmbH had sales in Russia in the past, the amount of such sales was not material to the Company as a whole. The continued armed conflict in Ukraine or an expansion of the armed conflict to other European countries could have a negative effect on the European and global economies. As well, Russia is a major exporter of oil and natural gas. Any disruption of supplies of oil and natural gas from Russia could have a significant adverse effect on the European and world economies. Geopolitical tensions in the Middle East and other regions could also add to economic and market uncertainties. All the foregoing factors could potentially have a negative impact on the Company's sales and results of operations.

Disease Outbreaks

The local or worldwide outbreak of a disease, a virus, including, but not limited to, the COVID-19 pandemic or any other contagious disease and government actions to address them, could have an adverse impact on the Company's operations, operating results and financial position. While it is sudden, its impact on economic cycles can give rise to unfavourable temporary disruptions in the market where the Company operates as well as on its internal structure, such as plant closures, shortages of raw materials and labour, and in supply chains and distribution channels.

Availability and Retention of Qualified Employees

The Company relies on the expertise and know-how of its personnel to conduct its operations. The loss of any member of its team could have a material adverse effect on it. Its future success also depends on its ability to execute succession plans, attract and retain key employees, train, retain and successfully integrate new talent into its management and technical teams. Recruiting and retaining talented personnel, particularly those with expertise in the specialty metals industry and refining technology is vital to its success and may prove difficult. The Company cannot provide assurance that it will be able to attract and retain qualified personnel when needed, especially in light of the current labour shortage affecting several markets in which it operates. If the Company is unable to recruit and retain additional qualified personnel in the future, its business, financial condition and operating results could be adversely affected.

Collective Agreements

A portion of the Company's workforce is unionized, and it is party to collective agreements that are due to expire at various times in the future. If it is unable to renew these collective agreements on acceptable terms as they become subject to renegotiation from time to time, this could result in work stoppages or other labour disturbances, such as strikes, walkouts or lockouts, potentially affecting its performance.

Litigation Risks

The Company may be subject to a variety of civil or other legal proceedings, with or without merit. Although the Company establishes provisions for such litigation, there can be no assurance that the provisions for all claims correspond to the settlement amount. A significant judgment against the Company or the imposition of a significant fine or penalty could have a material adverse effect on its business, financial condition and results of operations.

Risks Associated with our Growth Strategy

The Company's strategic plan is designed to enhance profitability while reducing earnings volatility, delivering quality growth from existing growth initiatives, new products introduction, and future M&A opportunities. There can be no assurance that the expected benefits will materialize or occur within the time periods anticipated by management. The realization of such benefits may be affected by a number of factors, many of which are beyond its control. The Company will incur costs in pursuing any particular opportunity, which may be significant.

Competition

The Company is a leading producer of specialty semiconductors and performance materials with a limited number of competitors, few of which are as fully integrated as it is or have a similar range of products. Accordingly, they have limitations to provide the same comprehensive set of services and products as 5N+ does. However, there can be no guarantee that this situation will continue in the future and competition could arise from new low-cost metal refiners or from certain of its customers who could decide to backward integrate. Greater competition could have an adverse effect on the Company's revenues and operating margins if its competitors gain market share and it is unable to compensate for the volume lost to competition.

Commodity Price

Commodity prices affect the costs and the price the Company pays for, and availability of, various inputs fluctuate due to numerous factors beyond its control, including political and economic conditions, currency exchange rates, inflation or deflation, global supply and demand for metal products, fluctuations in the value of the U.S. dollar and foreign currencies, speculative trading, trade sanctions, tariffs, labour costs, competition, over capacity of producers and price surcharges. Fluctuations in availability and cost of inputs may materially affect its business, financial condition, results of operations and cash flows. These fluctuations can be unpredictable and can occur over short periods of time. To the extent that the Company is not able to pass on any increases, its business, financial condition, results of operations and cash flows may be materially adversely affected.

Sources of Supply

The Company may not be able to secure the critical raw material feedstock on which it depends for its operations and there can be no assurance that the prices of such critical feedstock will not rise dramatically. It currently procures raw materials from a number of suppliers with which it has had long-term commercial relationships. The loss of any one of these suppliers or a reduction in the level of deliveries to it may reduce production capacity and impact deliveries to customers. This would, in turn, negatively impact its sales, net margins and may lead to liabilities with respect to some of its supply contracts.

In addition, supplemental supply-chain challenges created by the economic conjecture following recent geo-political instability and conflicts, could negatively affect the Company's general procurement through longer delays of transportation or through an increase in prices to obtain supplies. This may adversely affect the business, financial condition and operating results of the Company.

Canada has enacted the *Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* ("Act"), which came into effect on January 1, 2024. The Act requires the Company to examine its supply chains and produce annual reports, to be published on the Company's website and submitted to the Minister of Public Safety and Emergency Preparedness, disclosing measures and steps it has taken to prevent and reduce the risk that forced labour or child labour is being used in its supply chains. Compliance with the Act may result into increased costs and failure to comply with the Act could have a material adverse effect on the Company's reputation, business, results of operations and financial condition. Despite our effort to take increased actions to ensure our entire supply chain is free of any forced labour, there is nonetheless a risk of forced labour on products we source from third parties where we may not have complete visibility into their supply chain. As a result, the Company may face regulatory challenges in complying with applicable sanctions and trade regulations and reputational challenges with various stakeholders if we are unable to sufficiently verify the origins for the material sourced.

Protection of Intellectual Property

Protection of the Company's proprietary processes, methods and other technologies is important to its business. The Company relies on international patents as well as trade secrets and employee confidentiality agreements to safeguard its intellectual property. The Company has deliberately chosen to limit its patent position for certain intellectual properties to avoid disclosing valuable information. Failure to protect and monitor the use of its existing intellectual property rights could result in the loss of valuable technologies and processes. There can be no assurance that its confidentiality agreements will provide meaningful protection for its intellectual property rights or other proprietary information in the event of any unauthorized use or disclosure or that it will be able to meaningfully protect our trade secrets.

Inventory Price

The Company may be subject to risk associated with the value of our inventories in relation to the market price of such inventories. The highly illiquid nature of many of its inventories may increase such risk. The Company relies on a combination of standard risk measurement techniques, such as value at risk as well as a more empirical assessment of the market conditions to manage inventory levels. Decisions on appropriate physical stock levels are taken by considering both the value at risk calculations and the market conditions.

Business Interruptions

The Company may incur losses resulting from business interruptions due to equipment failure, power loss, fire or water damage, and similar events beyond its control. In many instances, especially those related to its long-term contracts, it has contractual obligations to deliver product in a timely manner. Any disruption in its activities which leads to a business interruption could harm its customers' confidence level and lead to the cancellation of contracts and legal recourse against it. Although the Company believes that it has taken the necessary precautions to avoid business interruptions and carry all-risk business interruption insurance to protect its assets and business, it could still experience interruptions which would adversely impact production activities and financial results.

Loss of an Important Customer

The loss of any large customers, unanticipated demand fluctuations from these customers, or the inability of these customers to perform under their contracts, could significantly reduce the Company's revenue and negatively impact its results of operations.

Changes to Backlog

The Company cannot guarantee that the revenues projected in its backlog at any given time will be realized or that they will perform as expected with respect to margin. In addition, contract delays, suspensions, terminations, cancellations, reductions in scope or other adjustments may occur from time to time due to considerations beyond the Company's control and may have an impact on the value of reported backlog with a corresponding adverse impact on future revenues and profitability.

Acquisition Risk

The Company may, from time to time, acquire or propose to acquire other companies. The Company's inability to properly integrate acquired companies, unanticipated acquisition costs, unforeseen delays and unknown liabilities associated with acquisitions, the potential loss of key employees following acquisitions, challenges with the integration of new operations and new personnel, the diversion of management's time and focus from other business concerns, opportunities and operational matters to work on acquisitions or integrate acquisitions, the loss of momentum in ongoing operations and disruptions to operations, possible inconsistencies in procedures and policies among the combined companies, and the need to implement new accounting, information technology, human resources or other administrative systems, may each materially and adversely affect the Company's business, results of operations or financial condition.

Systems, Network Infrastructure and Data Failure, Interruption and Breach

The Company's operations rely on information systems, communications technology, business and other technology applications, including global and regional networks, complex server infrastructure and operating systems, to operate properly. If it is unable to continually maintain software and hardware, effectively upgrade its systems and network infrastructure, and take other steps to improve the efficiency and protect its systems, the Company's operation systems could be interrupted or delayed. The same applies if its network, communication and operations systems are damaged or interrupted by natural disasters, telecommunications failures, acts of war or terrorism, computer viruses, sabotage, human errors, physical or electronic security breaches, or similar events or disruptions. Unauthorized use of artificial intelligence tools by employees may also result in inappropriate disclosure of confidential information. The Company also faces the threat of unauthorized system access, computer hackers, malicious code and organized cyber-attacks. The Company has, and may continue to have, a significant number of employees who continue to work remotely, which could contribute to an increase in cyber-attack attempts.

Executive management consultations are held regularly to monitor the progress of various cybersecurity projects, review significant incidents and review various security-related performance indicators. Executive management reports on its work to the members of the Board of Directors on a biannual basis. The Corporate IT function sets up and coordinates prevention, detection, and remediation measures in the area of cybersecurity. Cybersecurity measures include, among others, setting up strong controls with respect to systems access, implementing information security awareness programs, and hiring specialized firms to carry out occasional intrusion tests.

Although the Company has not experienced any material losses relating to cyberattacks or other information security breaches in the past, there can be no assurance that the Company will not experience such losses in the future due to the evolving nature of these threats.

Privacy

Data privacy breaches could adversely affect the Company's results of operations and profitability. Personal privacy and data security have become significant issues in North America and Europe, and in many other jurisdictions in which it operates. The regulatory framework for privacy and security issues worldwide is rapidly evolving and it may prove to be difficult to comply with all applicable laws and regulations in Canada and other jurisdictions regarding privacy.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Furthermore, local or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy, all of which may be subject to invalidation by relevant foreign judicial bodies. Industry organizations also regularly adopt and advocate for new standards in this area.

Market Price of Common Shares

The common shares of the Company are traded on the Toronto Stock Exchange under the symbol "VNP". The market price of securities of many companies experiences wide fluctuations from time to time that are not necessarily related to the operating performance, underlying asset values or future growth prospects of such companies. There can be no assurance that fluctuations in the price of the common shares of the Company, which may result in losses for investors, will not occur.

Grants and other incentive programs

The reduction, elimination, or expiration of government subsidies, economic incentives, tax incentives, R&D and business development incentives, or other public policies could negatively impact the Company's financial performance.

Non-IFRS Measures

In this MD&A, certain non-IFRS measures are used. The Company's management believes that these non-IFRS measures provide useful information to investors regarding the Company's financial condition and results of operations as they provide additional key metrics of its performance. These non-IFRS measures are not recognized under IFRS Accounting Standards, do not have any standardized meaning prescribed under IFRS Accounting Standards and may differ from similarly named measures as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS Accounting Standards.

Backlog represents the expected orders the Company has received, but has not yet executed, and that are expected to translate into sales within the next twelve months, expressed in dollars and estimated in number of days not to exceed 365 days. Bookings represent orders received during the period considered, expressed in number of days, and calculated by adding revenue to the increase or decrease in backlog for the period considered, divided by annualized year revenue. 5N+ uses backlog to provide an indication of expected future revenue in days, and bookings to determine its ability to sustain and increase its revenue.

EBITDA means net earnings (loss) before interest expenses, income tax expense (recovery), depreciation and amortization. 5N+ uses EBITDA because it believes it is a meaningful measure of the operating performance of its ongoing business, without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

EBITDA is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Net earnings	7,590	1,006	50,566	14,672
Interest on long-term debt, imputed interest and other interest expense	2,091	2,446	9,454	9,169
Income tax expense	2,832	2,415	15,139	8,936
Depreciation and amortization	4,422	4,373	17,369	16,791
EBITDA	16,935	10,240	92,528	49,568

EBITDA margin is defined as EBITDA divided by revenue.

Adjusted EBITDA means operating earnings (loss) as defined before the effect of impairment of inventories, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets, litigation and restructuring costs (income), and depreciation and amortization. 5N+ uses Adjusted EBITDA because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

Adjusted EBITDA and Adjusted EBITDA margin are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Revenue	101,968	70,854	391,062	289,281
Operating expenses	(88,842)	(64,701)	(316,623)	(257,053)
Operating earnings	13,126	6,153	74,439	32,228
Share-based compensation expense (recovery)	497	309	(1,429)	906
Gain on disposal of property, plant and equipment	-	-	-	(2,089)
Impairment (reversal of impairment) of non-current assets	475	(120)	475	2,706
ERP implementation costs	586	-	1,245	-
Loss on remeasurement of financial instrument	313	1,000	1,313	1,000
Litigation and restructuring (income) costs	(969)	769	(969)	1,790
Depreciation and amortization	4,422	4,373	17,369	16,791
Adjusted EBITDA	18,450	12,484	92,443	53,332
Adjusted EBITDA margin	18.1%	17.6%	23.6%	18.4%

Adjusted operating expenses means operating expenses before impairment of inventories, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets, litigation and restructuring costs (income), and depreciation and amortization. 5N+ uses Adjusted operating expenses to calculate Adjusted EBITDA. 5N+ believes it is a meaningful measure of the operating performance of its ongoing business. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted operating expenses are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Operating expenses	88,842	64,701	316,623	257,053
Share-based compensation recovery (expense)	(497)	(309)	1,429	(906)
Gain on disposal of property, plant and equipment	-	-	-	2,089
(Impairment of non-current assets) Reversal of impairment	(475)	120	(475)	(2,706)
ERP implementation costs	(586)	-	(1,245)	-
Loss on remeasurement of financial instrument	(313)	(1,000)	(1,313)	(1,000)
Litigation and restructuring income (costs)	969	(769)	969	(1,790)
Depreciation and amortization	(4,422)	(4,373)	(17,369)	(16,791)
Adjusted operating expenses	83,518	58,370	298,619	235,949

Adjusted net earnings (loss) means the net earnings (loss) before the effect of impairment of inventory, share-based compensation expense (recovery), ERP implementation costs, loss (gain) on disposal of property, plant and equipment, loss (gain) on remeasurement of financial instrument, impairment (reversal of impairment) of non-current assets and litigation and restructuring costs (income), net of the related income tax expense (recovery). 5N+ uses adjusted net earnings (loss) because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual expenses or income. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Basic adjusted earnings (loss) per share means adjusted net earnings (loss) divided by the basic weighted average number of outstanding shares. 5N+ uses basic adjusted earnings (loss) per share because it believes it is a meaningful measure of the operating performance of its ongoing business without the effects of unusual expenses or income. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Adjusted net earnings (loss) and Basic adjusted earnings (loss) per share are reconciled to the most comparable IFRS measures:

(in thousands of U.S. dollars, except per share amounts and number of shares)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Net earnings	7,590	1,006	50,566	14,672
Basic earnings per share	\$0.09	\$0.01	\$0.57	\$0.17
Reconciling items:				
Share-based compensation expense (recovery)	497	309	(1,429)	906
Gain on disposal of property, plant and equipment	-	-	-	(2,089)
Impairment (reversal of impairment) of non-current assets	475	(120)	475	2,706
ERP implementation costs	586	-	1,245	-
Loss on remeasurement of financial instrument	313	1,000	1,313	1,000
Litigation and restructuring (income) costs	(969)	769	(969)	1,790
Income tax expense (recovery) on taxable items above	(121)	(181)	216	(598)
Adjusted net earnings	8,371	2,783	51,417	18,387
Basic weighted average number of shares	89,074,051	89,042,801	89,061,859	88,886,157
Basic adjusted earnings per share	\$0.09	\$0.03	\$0.58	\$0.21

Adjusted gross margin is a measure used to monitor the sales contribution after paying cost of sales, excluding depreciation and inventory impairment charges. 5N+ also expressed this measure in percentage of revenue by dividing the adjusted gross margin value by the total revenue.

Adjusted gross margin is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$	\$	\$	\$
Total revenue	101,968	70,854	391,062	289,281
Cost of sales	(75,929)	(51,104)	(273,566)	(211,413)
Gross margin	26,039	19,750	117,496	77,868
Depreciation included in cost of sales	3,646	3,643	14,303	13,445
Adjusted gross margin	29,685	23,393	131,799	91,313
Adjusted gross margin percentage	29.1%	33.0%	33.7%	31.6%

Net debt is calculated as total debt less cash. Any introduced IFRS 16 reporting measures in reference to lease liabilities are excluded from the calculation. 5N+ uses this measure as an indicator of its overall financial position.

The net debt to EBITDA ratio is defined as net debt divided by the trailing 12 months EBITDA.

Total debt and Net debt are reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Bank indebtedness	-	-
Long-term debt including current portion	109,837	122,203
Lease liabilities including current portion	30,153	29,402
Subtotal Debt	139,990	151,605
Lease liabilities including current portion	(30,153)	(29,402)
Total Debt	109,837	122,203
Cash	(59,573)	(22,142)
Net Debt	50,264	100,061

Working capital is a measure of liquid assets that is calculated by taking current assets and subtracting current liabilities. Given that the Company is currently indebted, it uses it as an indicator of its financial efficiency and aims to maintain it at the lowest possible level.

Working capital ratio is calculated by dividing current assets by current liabilities.

Working capital is reconciled to the most comparable IFRS measure:

(in thousands of U.S. dollars)	As at December 31, 2025	As at December 31, 2024
	\$	\$
Inventories	163,727	137,823
Other current assets excluding inventories	138,448	79,572
Current assets	302,175	217,395
Current liabilities	(109,299)	(60,481)
Working capital	192,876	156,914
Working capital ratio	2.76	3.59

Additional Information

5N+'s common shares trade on the Toronto Stock Exchange (TSX) under the ticker symbol VNP. Additional information relating to the Company, including the Company's annual information form, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Selected Quarterly Financial Information

(in thousands of U.S. dollars, except per share amounts)	Dec 31, 2025	Sept 30, 2025	June 30, 2025	March 31, 2025	Dec 31, 2024	Sept 30, 2024	June 30, 2024	March 31, 2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	101,968	104,895	95,311	88,888	70,854	78,828	74,580	65,019
EBITDA	16,935	31,746	23,894	19,953	10,240	14,368	13,196	11,764
Adjusted EBITDA	18,450	29,055	24,146	20,792	12,484	15,621	13,490	11,737
Net earnings	7,590	18,176	15,227	9,573	1,006	6,370	4,789	2,507
Basic earnings per share	\$0.09	\$0.20	\$0.17	\$0.11	\$0.01	\$0.07	\$0.05	\$0.03
Diluted earnings per share	\$0.08	\$0.20	\$0.17	\$0.11	\$0.01	\$0.07	\$0.05	\$0.03
Adjusted net earnings	8,371	16,582	15,749	10,715	2,783	7,841	4,991	2,772
Basic adjusted earnings per share	\$0.09	\$0.19	\$0.18	\$0.12	\$0.03	\$0.09	\$0.06	\$0.03
Cash from operations before net change in non-cash working capital items	13,355	21,848	18,520	16,124	6,958	11,875	9,503	7,144
Backlog	353 days	311 days	297 days	268 days	326 days	289 days	300 days	288 days

Net earnings are completely attributable to equity holders of 5N+.

Selected Yearly Financial Information

As at and for the years ended December 31 (in thousands of U.S. dollars except per share amounts)	2025	2024	2023
	\$	\$	\$
Revenue	391,062	289,281	242,371
EBITDA	92,528	49,568	43,618
Adjusted EBITDA	92,443	53,332	38,323
Net earnings	50,566	14,672	15,399
Basic earnings per share	\$0.57	\$0.17	\$0.17
Diluted earnings per share	\$0.56	\$0.16	\$0.17
Adjusted net earnings	51,417	18,387	9,386
Basic adjusted net earnings per share	\$0.58	\$0.21	\$0.11
Cash from operations before net change in non-cash working capital items	69,847	35,480	32,051
Backlog	353 days	326 days	292 days
Balance Sheet			
Total assets	475,130	376,907	350,202
Total non-current liabilities	166,867	177,408	139,803
Net debt	50,264	100,061	73,794
Shareholders' equity	198,964	139,018	128,592

Net earnings are completely attributable to equity holders of 5N+.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and related notes have been prepared by management in conformity with generally accepted accounting principles in Canada which incorporate International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Management is responsible for the selection of accounting policies and making significant accounting judgements and estimates.

Management is also responsible for all other information included in the management's discussion and analysis and for ensuring that this information is consistent with the information contained in the consolidated financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting which includes those policies and procedures that provide reasonable assurance over the safeguarding of assets and over the completeness, fairness and accuracy of the consolidated financial statements.

The Audit and Risk Management Committee, which is comprised entirely of independent directors, reviews the quality and integrity of the Company's financial reporting and provides its recommendations, in respect of the approval of the financial statements, to the Board of Directors; oversees management's responsibilities as to the adequacy of the supporting systems of internal controls; provides oversight of the independence, qualifications, and appointment of the external auditor; and reviews audit, audit-related, and non-audit fees and expenses. The Board of Directors approves the Company's consolidated financial statements and management's discussion and analysis disclosures prior to their release. The Audit and Risk Management Committee meets with management, the internal auditor and external auditors at least four times each year to review and discuss financial reporting, disclosures, auditing and other matters.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards and express their opinion thereon. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The external auditors have unlimited access to the Audit and Risk Management Committee and meet with the Committee on a regular basis.

(signed) Gervais Jacques

Gervais Jacques
Chief Executive Officer

(signed) Richard Perron

Richard Perron
President and Chief Financial Officer

Montréal, Canada
February 24, 2026



Independent auditor's report

To the Shareholders of 5N Plus Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of 5N Plus Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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Valuation of inventories

Refer to note 2 – Summary of material accounting policies and note 5 – Inventories to the consolidated financial statements.

The carrying value of inventories on the Company's consolidated financial statements was \$163.7 million as at December 31, 2025. Inventories are carried at the lower of cost and net realizable value. In estimating net realizable value, management takes into account the most reliable evidence available at the time the estimates are made. The Company's core business is subject to changes in foreign policies and internationally accepted metal prices, which may cause future selling prices to change rapidly. Management applied judgment in estimating the net realizable value of inventories, which

Our approach to addressing the matter included the following procedures, among others:

- Tested how management estimated the net realizable value of inventories, which included the following:
 - Tested the data used by management in determining the net realizable value.
 - Evaluated the appropriateness of the method of estimating net realizable value.

Key audit matter	How our audit addressed the key audit matter
<p>involved the use of significant assumptions, including the consideration of prices of similar products in the market at the time the estimates are made and expected future selling prices.</p> <p>We considered this a key audit matter due to the magnitude of the inventory balance, the various types of inventory items and the judgment made by management in determining the net realizable value of inventories, which in turn led to increased audit effort in performing audit procedures.</p>	<ul style="list-style-type: none"> - Evaluated the reasonableness of significant assumptions used by management in the calculation of net realizable value of inventories, by comparing them to: <ul style="list-style-type: none"> ▪ prices of similar products in the market at the time the estimates are made; and ▪ expected future selling prices. • For a sample of inventory items, compared the prior year estimates of inventory prices to their actual selling prices during the year.

Other information

Management is responsible for the other information. The other information comprises the Management’s Discussion and Analysis, which we obtained prior to the date of this auditor’s report and the information, other than the consolidated financial statements and our auditor’s report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor’s report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sébastien Bellemare.

/s/PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.¹

Montréal, Quebec

February 24, 2026

¹ CPA auditor, public accountancy permit No. A116819

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of United States dollars)

	Notes	December 31 2025	December 31 2024
		\$	\$
Assets			
Current			
Cash		59,573	22,142
Accounts receivable	4	50,470	42,172
Inventories	5	163,727	137,823
Income tax receivable	17	1,874	1,811
Derivative financial assets	18	19,593	6,978
Other current assets	6	6,938	6,469
Total current assets		302,175	217,395
Property, plant and equipment	7	99,634	85,995
Right-of-use assets	8	28,275	28,583
Intangible assets	9	23,117	22,929
Goodwill	10	12,062	10,665
Deferred tax assets	17	6,795	7,358
Other assets	11,18	3,072	3,982
Total non-current assets		172,955	159,512
Total assets		475,130	376,907
Liabilities			
Current			
Trade and accrued liabilities	12	79,096	42,116
Income tax payable	17	13,966	5,207
Current portion of deferred revenue	15	12,834	11,206
Current portion of lease liabilities	8	2,170	1,952
Current portion of long-term debt	13	1,233	-
Total current liabilities		109,299	60,481
Long-term debt	13	108,604	122,203
Deferred tax liabilities	17	5,173	5,737
Employee benefit plan obligations	14	12,745	12,624
Lease liabilities	8	27,983	27,450
Deferred revenue	15	11,545	8,688
Other liabilities	16	817	706
Total non-current liabilities		166,867	177,408
Total liabilities		276,166	237,889
Equity		198,964	139,018
Total liabilities and equity		475,130	376,907

Commitments and contingencies (Note 24)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended December 31
(in thousands of United States dollars, except per share information)

	Notes	2025	2024
		\$	\$
Revenue		391,062	289,281
Cost of sales	28	273,566	211,413
Selling, general and administrative expenses	28	35,049	34,026
Other expenses (income), net	28	8,008	11,614
		316,623	257,053
Operating earnings		74,439	32,228
Financial expenses			
Interest on long-term debt	13	7,671	8,210
Imputed interest and other interest expense		1,783	959
Foreign exchange gain		(720)	(549)
		8,734	8,620
Earnings before income taxes		65,705	23,608
Income tax expense (recovery)			
Current	17	16,386	6,945
Deferred	17	(1,247)	1,991
		15,139	8,936
Net earnings		50,566	14,672
Basic earnings per share	22	0.57	0.17
Diluted earnings per share	22	0.56	0.16

Net earnings are completely attributable to equity holders of 5N Plus Inc.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31
(in thousands of United States dollars)

	Notes	2025	2024
		\$	\$
Net earnings		50,566	14,672
Other comprehensive income (loss)			
Items that may be reclassified subsequently to net earnings			
Currency translation adjustment		8,551	(4,936)
		8,551	(4,936)
Items that will not be reclassified subsequently to net earnings			
Remeasurement of employee benefit plan obligations	14	1,112	(277)
Income taxes	17	(510)	86
		602	(191)
Other comprehensive income (loss)		9,153	(5,127)
Comprehensive income		59,719	9,545

Comprehensive income is completely attributable to equity holders of 5N Plus Inc.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31

(in thousands of United States dollars, except per share information)

2025	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
		\$	\$	\$	\$	\$
Balances at beginning of year	89,042,801	22,795	342,982	(11,604)	(215,155)	139,018
Net earnings for the year	-	-	-	-	50,566	50,566
Other comprehensive income	-	-	-	9,153	-	9,153
Comprehensive income	-	-	-	9,153	50,566	59,719
Exercise of stock options	31,250	90	(26)	-	-	64
Share-based compensation (Note 23)	-	-	163	-	-	163
Balances at end of year	89,074,051	22,885	343,119	(2,451)	(164,589)	198,964

2024	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
		\$	\$	\$	\$	\$
Balances at beginning of year	88,704,724	21,884	343,012	(6,477)	(229,827)	128,592
Net earnings for the year	-	-	-	-	14,672	14,672
Other comprehensive loss	-	-	-	(5,127)	-	(5,127)
Comprehensive income	-	-	-	(5,127)	14,672	9,545
Exercise of stock options	338,077	911	(259)	-	-	652
Share-based compensation (Note 23)	-	-	229	-	-	229
Balances at end of year	89,042,801	22,795	342,982	(11,604)	(215,155)	139,018

Equity is completely attributable to equity holders of 5N Plus Inc.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31
(in thousands of United States dollars)

	Notes	2025	2024
		\$	\$
Operating activities			
Net earnings		50,566	14,672
Adjustments to reconcile net earnings to cash flows			
Depreciation of property, plant and equipment	7	11,841	11,039
Depreciation of right-of-use assets	8	2,683	2,611
Amortization of intangible assets	9	2,845	3,141
Amortization of other assets	11	464	248
Loss on remeasurement of financial instrument	11, 28	1,313	1,000
Impairment of non-current assets	7, 9, 28	475	2,706
Increase (decrease) on loss allowance	4, 26	6	(10)
Share-based compensation expense	23	17,322	7,189
Deferred income taxes	17	(1,247)	1,991
Imputed interest	8, 13	1,292	1,232
Employee benefit plan obligations	14	(392)	(248)
Loss (gain) on disposal of property, plant and equipment	7, 28	15	(2,066)
Unrealized gain on non-hedge financial instruments		(19,314)	(6,735)
Unrealized foreign exchange loss (gain) on assets and liabilities		1,978	(1,290)
Cash from operations before the following:		69,847	35,480
Net change in non-cash working capital balances	20	(2,457)	(42,366)
Cash from (used in) operating activities		67,390	(6,886)
Investing activities			
Additions to property, plant and equipment	7, 20	(20,150)	(20,767)
Additions of intangible assets	9	(651)	(418)
Acquisition of investment in equity instruments	11	-	(1,000)
Proceeds on settlement of total return swap	18	6,898	-
Proceeds on disposal of property, plant and equipment	7	4	4,205
Cash used in investing activities		(13,899)	(17,980)
Financing activities			
Repayment of long-term debt	13	(15,144)	(10,000)
Proceeds from issuance of long-term debt	13	2,753	24,889
Deferred costs related to long-term debt	11	(960)	(101)
Issuance of common shares		64	652
Principal elements of lease payments	20	(3,165)	(3,052)
Cash (used in) from financing activities		(16,452)	12,388
Effect of foreign exchange rate changes on cash		392	(86)
Net increase (decrease) in cash		37,431	(12,564)
Cash at beginning of year		22,142	34,706
Cash at end of year		59,573	22,142
Supplemental information⁽¹⁾			
Income tax paid		7,607	6,017
Interest paid		6,951	8,171

⁽¹⁾ Amounts paid for income tax and interest were reflected as cash flows from operating activities in the consolidated statements of cash flows.

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
(in thousands of United States dollars, unless otherwise indicated)

1. Nature of Activities

5N Plus Inc. (“5N+” or the “Company”) is a Canadian-based international company. 5N+ is a global producer of specialty semiconductors and performance materials. The Company’s ultra-pure materials often form the core element of its customer products. These customers rely on 5N+’s products to enable performance and sustainability in their own products. 5N+ deploys a range of proprietary and proven technologies to develop and manufacture its products. The Company’s products enable various applications in a number of key industries including renewable energy, security, space, pharmaceutical, medical imaging, and industrial. The Company is headquartered at 4385 Garand Street, Montréal, Quebec (Canada) H4R 2B4. The Company operates R&D, manufacturing and commercial centers in strategically located facilities around the world including Europe, North America and Asia. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”). 5N+ and its subsidiaries represent the “Company” mentioned throughout these consolidated financial statements. The Company has two reportable business segments, namely Specialty Semiconductors and Performance Materials.

These consolidated financial statements were approved by the Board of Directors on February 24, 2026.

2. Material Accounting Policies

The material accounting policy information regarding the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, which have been measured at fair value as described below.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are also further disclosed in this note, in the “Significant management estimation and judgment in applying accounting policies” section.

Subsidiaries

Subsidiaries are all entities over which the Company has control. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
(in thousands of United States dollars, unless otherwise indicated)

The following table includes the principal entities, all of which are wholly owned, which significantly impact the results or assets of the Company:

	Country of incorporation
5N Plus Inc.	Canada
5N PV GmbH	Germany
AZUR SPACE Solar Power GmbH (“AZUR”)	Germany
5N Plus Lübeck GmbH	Germany
5N Plus Asia Limited	Hong Kong
5N Plus Wisconsin Inc.	United States
5N Plus Semiconductors LLC	United States

Foreign currency translation

a) Functional and presentation currency

The Company’s functional and presentation currency is the US dollar. Functional currency is determined for each of the Company’s entities, and items included in the financial statements of each entity are measured using that functional currency.

b) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rate at the reporting date. Non-monetary assets and liabilities, and revenue and expense items denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the respective transactions. Foreign exchange gains and losses are presented in the consolidated statement of earnings (loss) within “foreign exchange (gain) loss”.

c) Foreign operations

Assets and liabilities of subsidiaries that have a functional currency other than US dollar are translated from their functional currency to US dollars at exchange rates in effect at the reporting date. The resulting translation adjustments are included in the currency translation adjustment in other comprehensive income (loss). Revenue and expenses are translated at the average exchange rates for the period.

Segment reporting

The Company has the following two reportable segments: Specialty Semiconductors and Performance Materials. Corresponding operations and activities are managed accordingly by the Company’s key decision makers. Segmented operating, financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Operating in North America and Europe, the Specialty Semiconductors segment manufactures and sells products used in several applications such as renewable energy, space satellites and imaging. Typical end markets include photovoltaics (terrestrial and space-related solar energy), medical imaging, infrared imaging, optoelectronics and advanced electronics. These products are sold in semiconductor compounds, semiconductor wafers, ultra high purity metals, epitaxial semiconductor substrates, space solar cells and assemblies. Revenues and earnings associated with recycling services and activities provided to Specialty Semiconductors customers are captured in this segment.

The Performance Materials segment operates in North America, Europe and Asia and manufactures and sells products that are used in several applications in pharmaceutical and healthcare and industrial. Main products are sold as active pharmaceutical ingredients, specialized chemicals, commercial grade metals, alloys, and engineered powders. All commercial grade metal and engineered powder sales are under Performance Materials. Revenues and earnings associated with recycling services and activities provided to Performance Materials customers are captured in this segment.

Corporate expenses associated with the head office and unallocated selling, general and administrative expenses, together with financing expenses (income) have been regrouped under the heading "Corporate and unallocated".

Each operating segment is managed separately as each of these service lines requires different technologies, resources and marketing approaches. All intersegment transactions between the Specialty Semiconductors and the Performance Materials segments have been eliminated on consolidation.

Revenue recognition

Revenue comprises the sale of manufactured products and the rendering of services and is measured at the amounts specified in the customer's arrangement.

Sales of manufactured products are recognized when products are delivered to the customer, which is also the moment when control of the products is transferred, and when there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract.

Accounts receivable are recognized when the products are delivered or services are rendered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Company does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Deferred revenue is recognized by the company as a non-current liability in relation to long-term revenue contracts with customers which are recognized based on the number of estimated manufactured products to be delivered. The amount of which is expected to be realized within one year is recorded within the heading "Current portion of deferred revenue". Cash payments received or advances due pursuant to contractual arrangements related to the sale of goods are also recorded as deferred revenue until all of the foregoing conditions of revenue recognition have been met. The Company does not expect to have any contractual arrangements whereby the cash payment or advance is received more than one year before the underlying goods are delivered and therefore these advances are also presented within the heading "Current portion of deferred revenue".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
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Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants that compensate the Company for a specific expense incurred are recognized in the consolidated statement of earnings (loss) against the expenses.

Grants that are related to assets are recognized by deducting the grant from the carrying amount of the specific asset. The grant is recognized in the consolidated statement of earnings (loss) over the life of a depreciable asset as a reduced depreciation expense.

Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation, accumulated impairment losses and subsequent reversals, if applicable. Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, taking into account any residual values. Useful lives are as follows:

	Period
Land	Not depreciated
Building	25 years
Production equipment	Up to 15 years
Furniture	3 to 10 years
Office equipment	3 to 10 years
Rolling stock	3 to 10 years
Leasehold improvements	Over the term of the lease

Construction in progress is not depreciated until the assets are put into use. Costs are only capitalized if they are directly attributable to the construction or development of the assets.

Residual values, method of depreciation and useful life of the assets are reviewed annually and adjusted if appropriate.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets

Right-of-use assets are measured at cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

Lease liabilities are measured at the net present value of future lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of earnings (loss). Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
(in thousands of United States dollars, unless otherwise indicated)

Extension options are included in a number of property and equipment leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Company and not by the respective lessor.

Intangible assets

Intangible assets acquired separately are recorded at cost, net of accumulated amortization, accumulated impairment losses and reversals, if applicable.

Intangible assets are amortized on a straight-line basis over their useful lives according to the following annual terms:

	Period
Customer relationships	15 years
Technology	Not exceeding 15 years
Trade name	10 years
Software	5 years
Development costs	Not exceeding 10 years
Backlog	3 years

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired in a business combination and is initially measured at the acquisition date. Goodwill is subsequently carried at cost less any accumulated impairment losses.

At the date of acquisition, goodwill is assigned to the cash-generating unit (CGU) or group of CGUs that is expected to benefit from the synergies of the business combination. For the purposes of impairment testing, goodwill is allocated to the Company's operating segments, which is the level at which the chief operating decision maker monitors goodwill. The CGU is tested for impairment annually, or more frequently when there is indication that the CGU may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the goodwill allocated to the CGU and then, to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Any impairment loss is recognized in the consolidated statement of earnings (loss). An impairment loss recognized for goodwill is not reversed in subsequent periods.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets that have an indefinite useful life and assets that are not yet available for use, are not subject to amortization and are tested annually for impairment or whenever indicators of impairment exist. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost of disposal. The recoverable amount is determined for an individual asset; unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such case, the CGU to which the asset belongs is used to determine the recoverable amount. Impairment losses are recognized in the consolidated statement of earnings (loss).

The Company evaluates impairment losses for potential reversals at each reporting date. An impairment loss is reversed if there is any indication that the loss has decreased or no longer exists due to changes in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
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exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such reversal is recognized in the consolidated statement of earnings (loss).

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets or financial liabilities carried at FVPL are expensed in the consolidated statement of earnings (loss).

Measurement in subsequent periods depends on the classification of the financial instrument. The Company has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired and their characteristics.

Financial assets

Debt instruments

For the subsequent measurement, there are two measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the consolidated statement of earnings (loss) and presented in other gains (losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of earnings (loss).
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income (loss) (FVOCI) are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in the consolidated statement of earnings (loss) and presented net within other expenses (income), net in the period in which it arises.

Investment in equity instruments

For the subsequent measurement, investments in equity instruments for which the Company did not make an irrevocable election to present in FVOCI are measured at FVPL. A gain or loss on an investment in equity instruments that is subsequently measured at FVPL is recognized in the consolidated statement of earnings (loss) and presented net within "Other expenses (income), net" in the period in which it arises.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVPL. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31
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Financial instrument classification

Category	Financial instrument
Financial assets and liabilities at fair value through profit and loss	Total return swap (Note 18) Investment in equity instrument (Note 11) Restricted investment (Note 11)
Financial assets and liabilities at amortized cost	Cash Accounts receivable Cash held in escrow (Note 6) Trade and accrued liabilities Long-term debt

Impairment

At each reporting date, the Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables (Note 26). The Company assumes that there is no significant increase in credit risk for instruments that have a low credit risk.

Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

For the year ended December 31, 2025 and 2024, the Company has no derivative financial instruments designated as a hedging instrument.

Cash held in escrow

Cash held in escrow represents cash which is restricted pursuant to a contractual arrangement and is held in a separate bank account. Cash held in escrow is presented within "Other current assets".

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost includes all expenditures directly attributable to the manufacturing process as well as suitable portions of related production overheads based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using weighted average cost. Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and any applicable selling expenses. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the impairment is reversed (i.e. the reversal is limited to the amount of the original impairment) so that the new carrying amount is the lower of the cost and the revised net realizable value.

From time to time, when substantially all required raw materials are in inventory, the Company may choose to enter into long-term fixed-price sales contracts. The quantity of raw materials required to fulfill these contracts is specifically assigned, and the average cost of these raw materials is accounted for separately throughout the duration of the contract.

Income taxes

The tax expense for the year which comprises current and deferred tax is recognized in the consolidated statement of earnings (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In which case, the tax expense is also recognized in other comprehensive income (loss) or directly in equity, respectively.

a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the consolidated statement of financial position in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred tax

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that are enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax is presented to provide impact of temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Research and development expenses

Research expenses are charged to the consolidated statement of earnings (loss) in the period they are incurred and are included under "Other expenses (income), net". Development expenses which are directly attributable expenses, either internal or external, are charged to the consolidated statement of earnings (loss), except if the Company can demonstrate all of the following (in that case capitalised as intangible assets – development costs):

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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Employee future benefits

The Company contributes to two defined benefit pension plans. The significant policies related to employee future benefits are as follows:

- The cost of pension and other post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, market interest rates and management's best estimate of expected plan investment performance, retirement age of employees and expected health care costs;
- Fair value is used to value the plan assets for the purpose of calculating the net interest on the net benefit liability; and
- Actuarial gains and losses arising from experience adjustment and change in actuarial assumptions are charged or credited to equity in other comprehensive income (loss) in the period in which they arise.

Share-based payments

The fair value of the equity-settled share-based payment plan is determined using the Black-Scholes model on the grant date. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, weighted average expected life of the instrument, expected dividends and the risk-free interest rate. The impact of service and non-market vesting conditions is not taken into account in determining fair value. The compensation expense of the equity-settled awards is recognized in the consolidated statement of earnings (loss) over the graded vesting period, where the fair value of each tranche is recognized over its respective vesting period based on the number of awards that are expected to ultimately vest.

For cash-settled share-based payment plans, the compensation expense is determined based on the fair value of the liability incurred at each reporting date until the award is settled. The fair value of compensation expense is calculated by multiplying the number of units expected to vest with the fair value of one unit as of grant date based on the market price of the Company's common shares taking into account progress towards vesting. Until the liability is settled, the Company re-measures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in the consolidated statement of earnings (loss).

Earnings per share

Diluted earnings (loss) per share assume the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The treasury stock method is used to determine the dilutive effect of share options.

Significant management estimation and judgment in applying accounting policies

The following are significant management judgments used in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Estimation uncertainty

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenues and expenses are discussed below.

Impairment of non-financial assets

An impairment loss is recognized for the amount by which an asset's or CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value in use.

To determine the recoverable amount, significant judgement is required as management must estimate expected future cash flows from the asset or CGU and it must determine a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results using the estimated forecasted prices obtained from various market sources. These key assumptions relate to future events and circumstances. The actual results will vary and may cause adjustments to the Company's assets in future periods. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and to asset-specific risk factors.

Inventories

Inventories are carried at the lower of cost and net realizable value, with cost determined using the average cost method. In estimating net realizable values, management takes into account the most reliable evidence available at the time the estimates are made. The Company's core business is subject to changes in foreign policies and internationally accepted metal prices which may cause future selling prices to change rapidly. The Company evaluates its inventories using a group of similar items basis and considers expected future prices as well as events that have occurred between the consolidated statement of financial position date and the date of the completion of the consolidated financial statements. Net realizable value for inventory to satisfy a specific sales contract is measured at the contract price.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Company has deferred income tax assets that are subject to periodic recoverability assessments. Realization of the Company's deferred income tax assets is largely dependent on its achievement of projected future taxable income and the continued applicability of ongoing tax planning strategies. The Company's judgments regarding future profitability may change due to future market conditions, changes in tax legislation and other factors that could adversely affect the ongoing value of the deferred income tax assets. These changes, if any, may require a material adjustment of these deferred income tax asset balances through an adjustment to the carrying value thereon in the future. This adjustment would reduce the deferred income tax asset to the amount that is considered to be more likely than not to be realized and would be recorded in the period such a determination was to be made.

3. Adoption of New Accounting Standards and Future Changes in Accounting Policies

Adoption of new accounting standards

For the year ended December 31, 2025, the Company evaluated the new accounting standards issued and effective under IFRS Accounting Standards and determined that they have no significant impact on its consolidated financial statements.

Future Changes in accounting policies

The following standards have been issued but not yet effective:

IFRS 9 and IFRS 7 – Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 pertaining to the Classification and Measurement of Financial Instruments. Notably, the amendments include guidance relating to the recognition and derecognition date of certain financial assets and liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The implementation of this standard is not expected to have a material impact on the Company's consolidated financial statements.

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IFRS 18 – Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 as a replacement to *IAS 1 Presentation of Financial Statements*. The new standard includes a prescribed structure for the Statement of Earnings, disclosure requirements for management-defined performance measures and guidance on the aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of the amendments on its consolidated financial statements.

4. Accounts Receivable

	2025	2024
	\$	\$
Gross trade receivables	41,438	35,410
Loss allowance (Note 26)	(34)	(28)
Trade receivables	41,404	35,382
Sales taxes receivable	7,239	3,882
Other receivables	1,827	2,908
Total accounts receivable	50,470	42,172

The Company's exposure to credit risks and the calculation of the loss allowance related to accounts receivable are disclosed in Note 26.

Substantially all the accounts receivable are pledged as security for the revolving credit facility (Note 13).

5. Inventories

	2025	2024
	\$	\$
Raw materials	67,310	51,316
Finished goods	96,417	86,507
Total inventories	163,727	137,823

For the year ended December 31, 2025, a total of \$177,365 of inventories was included as an expense in cost of sales (2024 – \$124,327).

Substantially all of inventories are pledged as security for the revolving credit facility (Note 13).

6. Other current assets

	2025	2024
	\$	\$
Cash held in escrow	2,200	1,937
Prepays and others	4,738	4,532
Total other current assets	6,938	6,469

On December 19, 2022, the Company divested its 100% interest in 5N Plus Belgium SA. As part of the transaction, a provision was recorded to support the new owners to ensure site compliance with most recent environmental standards of which 2.0 million euros was held in escrow. As at December 31, 2025, the outstanding amount is 1.9 million euros.

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7. Property, Plant and Equipment

	Land and buildings	Production equipment	Construction in progress	Furniture, office equipment and rolling stock	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Net book value as at December 31, 2023	10,184	52,402	17,699	1,393	2,922	84,600
Additions	72	9,834	7,991	385	283	18,565
Disposals (Note 28)	-	(1,254)	(1,082)	(3)	-	(2,339)
Depreciation	(744)	(9,364)	-	(502)	(429)	(11,039)
Impairment	-	(440)	(567)	-	-	(1,007)
Transfer between categories	73	16,765	(18,254)	34	1,382	-
Effect of foreign exchange	(38)	(2,228)	(309)	(28)	(182)	(2,785)
Net book value as at December 31, 2024	9,547	65,715	5,478	1,279	3,976	85,995
Additions	46	1,495	18,203	299	210	20,253
Disposals (Note 28)	-	(15)	-	(3)	(1)	(19)
Depreciation	(691)	(10,168)	-	(488)	(494)	(11,841)
Impairment	-	(475)	-	-	-	(475)
Transfer between categories	170	4,751	(9,092)	936	3,235	-
Effect of foreign exchange	45	4,774	424	47	431	5,721
Net book value as at December 31, 2025	9,117	66,077	15,013	2,070	7,357	99,634
As at December 31, 2024						
Cost	18,828	125,054	5,478	5,191	8,074	162,625
Accumulated depreciation	(9,281)	(59,339)	-	(3,912)	(4,098)	(76,630)
Net book value	9,547	65,715	5,478	1,279	3,976	85,995
As at December 31, 2025						
Cost	19,195	136,302	15,013	6,325	12,082	188,917
Accumulated depreciation	(10,078)	(70,225)	-	(4,255)	(4,725)	(89,283)
Net book value	9,117	66,077	15,013	2,070	7,357	99,634

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During 2025, the Company recorded an impairment of non-current assets of \$475 in relation to Property, plant and equipment included within the Performance Materials segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to discontinue production of a minor product.

During 2024, the Company recorded an impairment of non-current assets of \$567 in relation to Property, plant and equipment included within the Specialty Semiconductors segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to discontinue construction of the asset.

During 2024, the Company recorded an impairment of non-current assets of \$440 in relation to Property, plant and equipment included within the Performance Materials segment, to reflect the assessment of the carrying value of production equipment following the Company's decision to prioritize certain production operations to support the Company's core business.

As at December 31, 2025, property, plant and equipment include \$1,217 of prepayments for construction in progress (\$669 as at December 31, 2024).

For the year ended December 31, 2025, additions to property, plant and equipment included government assistance of \$345 (2024 - \$1,332) recognized in relation to interest-free loans (Note 13).

Substantially all of the property, plant and equipment are pledged as security for the revolving credit facility (Note 13).

8. Leases

Right-of-use assets

	Buildings	Production equipment	Office equipment and rolling stock	Total
	\$	\$	\$	\$
Net book value as at December 31, 2023	28,781	128	381	29,290
Additions	2,434	135	178	2,747
Modification to lease contracts	189	-	-	189
Depreciation	(2,337)	(68)	(206)	(2,611)
Effect of foreign exchange and others	(1,013)	-	(19)	(1,032)
Net book value as at December 31, 2024	28,054	195	334	28,583
Additions	-	81	288	369
Depreciation	(2,397)	(66)	(220)	(2,683)
Effect of foreign exchange and others	1,993	-	13	2,006
Net book value as at December 31, 2025	27,650	210	415	28,275
As at December 31, 2024				
Cost	36,781	375	732	37,888
Accumulated depreciation	(8,727)	(180)	(398)	(9,305)
Net book value	28,054	195	334	28,583
As at December 31, 2025				
Cost	39,246	314	844	40,404
Accumulated depreciation	(11,596)	(104)	(429)	(12,129)
Net book value	27,650	210	415	28,275

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Lease liabilities

	2025	2024
	\$	\$
Current portion	2,170	1,952
Non-current portion	27,983	27,450
Total lease liabilities (Note 20)	30,153	29,402

Amounts recognized in the consolidated statements of earnings:

	2025	2024
	\$	\$
Imputed interest ⁽¹⁾	1,069	1,095
Income from sub-leasing right-of-use assets ⁽²⁾	(76)	(66)
Variable lease payments not included in the measurement of lease liabilities ⁽³⁾	223	221
Expenses relating to short-term leases and low-value assets ⁽³⁾	546	493

⁽¹⁾ Included in financial expenses.

⁽²⁾ Included in other expenses (income), net.

⁽³⁾ Included in cost of sales and selling, general and administrative expenses.

9. Intangible Assets

	Customer relationship	Technology	Trade name, software, development costs and others	Total
	\$	\$	\$	\$
Net book value as at December 31, 2023	8,829	11,556	8,919	29,304
Additions	-	-	418	418
Amortization	(688)	(1,114)	(1,339)	(3,141)
Impairment	-	(729)	(970)	(1,699)
Effect of foreign exchange	(798)	(953)	(202)	(1,953)
Net book value as at December 31, 2024	7,343	8,760	6,826	22,929
Additions	-	-	651	651
Amortization	(674)	(809)	(1,362)	(2,845)
Effect of foreign exchange	934	1,116	332	2,382
Net book value as at December 31, 2025	7,603	9,067	6,447	23,117

As at December 31, 2024

Cost	9,402	13,079	15,712	38,193
Accumulated amortization	(2,059)	(4,319)	(8,886)	(15,264)
Net book value	7,343	8,760	6,826	22,929

As at December 31, 2025

Cost	10,635	14,601	16,857	42,093
Accumulated amortization	(3,032)	(5,534)	(10,410)	(18,976)
Net book value	7,603	9,067	6,447	23,117

As at December 31, 2025, intangible assets that were not depreciated until ready for their intended use amounted to \$1,289 (2024 – \$826). The category of development costs which includes capitalized costs of \$7,969 (2024 - \$7,472), consists of internally generated intangible assets.

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During 2024, the Company recorded an impairment of non-current assets of \$1,699 in relation to Intangible assets included within the Performance Materials segment, to reflect the assessment of the carrying value of technology and development costs following the Company's sale of unused production equipment which represented the remaining cashflows expected to be derived from these Intangible assets.

10. Goodwill

	2025	2024
	\$	\$
Beginning of year	10,665	11,825
Effect of foreign exchange	1,397	(1,160)
End of year	12,062	10,665

The company's goodwill is related to AZUR which is part of the Specialty Semiconductor segment. Based on the result of the Company's annual goodwill impairment test, no impairment charge is required. The recoverable amount was determined based on the CGU's value in use which was calculated by using a discounted cash flow (DCF) approach.

The key assumptions used for the purposes of the DCF are outlined below:

- Cash flows: Estimated cash flows were projected based on actual operating results from internal sources as well as industry and market trends. The first three years of the five-year projection period were forecasted by Management. The extended two-year period was calculated using the 2020-2025 Compound Annual Growth Rate for the revenues;
- Terminal growth rate: A terminal growth rate of 5.0% is used to extrapolate the Company's projection and it was determined using the industry expectation and market trends; and
- Discount rate: Cash flows are discounted using pre-tax discount rate which is estimated based on the historical industry average weighted-average cost of capital. The discount rate used is 9.4% (2024 – 8.3%).

11. Other assets

	2025	2024
	\$	\$
Deferred financing fees	868	372
Investment in equity instruments	1,687	3,000
Prepays	-	101
Restricted investment and other	517	509
Total other assets	3,072	3,982

In December 2025, a remeasurement loss on financial assets of \$313 was recorded based on revised estimates of the fair value of the Company's equity instrument in Microbion Corporation (Microbion). This is in addition to the remeasurement loss recorded in June 2025 of \$1,000, for a total remeasurement loss of \$1,313 in 2025, compared to \$1,000 in 2024. The revised estimates of the fair value of the Company's equity instrument in Microbion reflect the increased difficulties for pharmaceutical research companies to raise capital. As at December 31, 2025, the Company's stake in Microbion, was valued at \$1,687 (\$3,000 as at December 31, 2024).

The Company also owns a restricted investment of \$515 (2024 - \$507) which is valued at fair value through profit or loss.

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12. Trade and Accrued Liabilities

	2025	2024
	\$	\$
Trade payables	31,111	15,286
Accrued liabilities ⁽¹⁾	47,985	26,830
Total trade and accrued liabilities	79,096	42,116

(1) As at December 31, 2025, an amount of \$2,094 was still outstanding with respect to the provision of \$3,241 outstanding as at December 31, 2024.

13. Long-Term Debt

	2025	2024
	\$	\$
Senior secured revolving facility of \$154,000 with a syndicate of banks, maturing in March 2029	90,500	105,500
Subordinated term loan with Investissement Québec, maturing in March 2028	15,000	15,000
Interest-free loan from Investissement Québec, maturing in February 2030	1,398	1,210
Interest-bearing loan from Investissement Québec, maturing in September 2030	1,765	-
Interest-free loan from Canada Economic Development for Quebec Regions, maturing in December 2032	1,174	493
	109,837	122,203
Less current portion of long-term debt	(1,233)	-
	108,604	122,203

Senior secured revolving facility

In March 2025, the Company signed a senior secured multi-currency revolving credit facility of \$154,000 maturing in March 2029 to replace its existing \$124,000 senior secured revolving facility maturing in April 2026. At any time, the Company has the option to request that the credit facility be expanded through the exercise of an additional \$50,000 accordion feature, subject to review and approval by the lenders. This revolving credit facility can be drawn in US dollars, Canadian dollars or Hong Kong dollars (up to \$4,000). Drawings bear interest at either the Canadian prime rate, US base rate, Hong Kong base rate, SOFR or CORRA, plus a margin based on the Company's senior net debt to consolidated EBITDA ratio. Under the terms of its credit facility, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at December 31, 2025, the Company had met all covenants.

Subordinated term loan from Investissement Québec

In March 2024, the Company entered into a subordinated term loan agreement with Investissement Québec of \$15,000 which replaced its previous subordinated term loan of \$25,000 set to expire in March 2024. The new term loan bears interest equivalent to the four-year US Treasury Bonds plus a margin of 5.38%, which equals to 9.71%. Under the terms of the loan, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at December 31, 2025, the Company has met all covenants.

Interest-free loan from Investissement Québec

In February 2024, the Company received CA\$ 2,700 from Investissement Québec with respect to an interest-free term loan with a maximum drawdown of CA\$ 2,850 dependent upon eligible capital expenditures related to investments in its Montréal production facility. Subject to the satisfaction of certain criteria, the Company expects CA\$ 500 of the loan to be forgiven. The loan has a two-year repayment moratorium period and is subsequently reimbursable in monthly instalments over a period of four years. Under the terms of the loan, the Company is required to satisfy certain restrictive covenants as to financial ratios. As at December 31, 2025, the Company has met all covenants.

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Interest-bearing loan from Investissement Québec

In October 2025, the Company received CA\$ 2,619 from Investissement Québec with respect to a term loan with a maximum drawdown of CA\$ 8,000 dependent upon eligible capital expenditures related to investments in its Montréal production facility. The new term loan bears interest equivalent to the seven-year Québec government bonds which amount to 4.01%. Subject to the satisfaction of certain criteria, an amount up to CA\$ 2,000 of the loan may be forgiven. The loan is reimbursable in monthly instalments of CA\$ 100 over a period of five years, with any remaining amount of the loan which is not forgiven, payable at the end of the five-year period.

Interest-free loan from Canada Economic Development for Quebec Regions

In March 2025, the Company received CA\$ 1,258 from Canada Economic Development for Quebec Regions with respect to an interest-free term loan with a maximum drawdown of CA\$ 3,000 dependent upon eligible capital expenditures, bringing the Company's total drawdown to CA\$ 2,475. The Company will benefit from a two-year repayment moratorium period on the interest-free loan ending on December 31, 2027. Subsequently, the loan is reimbursable in monthly instalments over a period of five years.

14. Employee Benefit Plan Obligations

The Company operates two defined pension plans in Germany based on employee pensionable earnings and length of service.

Unfunded defined benefit plan

Former general and senior managers had been provided with direct benefit commitments. Employees had been provided with indirect benefit commitments via the Unterstützungseinrichtung der HEK GmbH e.V. Such promises had been made for employees with an entry date of December 31, 1993 or earlier.

Funded defined benefit plan

The pension obligations are via a pension fund with commitments to old-age, disability and survivors' pension to managers as well as employees. Such promises had been made for employees with an entry date of December 31, 2007 or earlier. Vesting of benefits is being determined by the employers' pension-plan act (Gesetz über die Verbesserung der betrieblichen Altersversorgung). The pension scheme is fully funded by two absolute return strategies funds at Generali Pensionsfond AG. These investment funds have quoted prices in active markets.

	2025	2024
	\$	\$
Fair value of plan assets	2,334	2,044
Present value of funded obligation	3,767	3,632
Present value of net obligation for funded obligation	1,433	1,588
Present value of unfunded obligation	11,312	11,036
Present value of net obligations	12,745	12,624

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Movement in the defined benefit obligations is as follows:

	2025			2024		
	Unfunded	Funded	Total	Unfunded	Funded	Total
	\$	\$	\$	\$	\$	\$
Beginning of year	11,036	3,632	14,668	11,823	3,839	15,662
Current service cost	50	-	50	45	-	45
Interest cost	396	134	530	394	129	523
Effect of foreign exchange	1,429	461	1,890	(697)	(240)	(937)
Benefits paid	(818)	(210)	(1,028)	(719)	(187)	(906)
Actuarial losses (gains)						
From changes in financial assumptions	(649)	(282)	(931)	112	60	172
From changes in other assumptions	(132)	32	(100)	78	31	109
End of year	11,312	3,767	15,079	11,036	3,632	14,668

Movement in plan assets is as follows:

	2025	2024
	\$	\$
Beginning of year	2,044	2,269
Interest income	77	75
Return on plan assets, excluding amounts included in interest income	81	4
Contributions	77	22
Pension benefits paid	(210)	(187)
Effect of foreign exchange	265	(139)
End of year	2,334	2,044

The principal actuarial assumptions as at December 31 were as follows:

	2025		2024	
	Unfunded	Funded	Unfunded	Funded
Discount rate	4.0%	4.1%	3.4%	3.5%
Salary growth rate	2.5%	2.5%	2.5%	2.5%
Pension growth rate	2.3%	2.1%	2.3%	2.1%

Assumptions regarding mortality are based on mortality tables "Richttafeln 2018 G" by Prof. Dr. Klaus Heubeck as biometrical basis in accordance with age of earliest retirement by law RV-Altersgrenzenanpassungsgesetz, dated April 20, 2007 for the unfunded defined benefit plan and with age of earliest retirement by 65 years for the funded defined benefit plan.

The sensitivity of the defined benefit obligations to changes in assumptions is set out below. The effects on each plan of a change in an assumption are weighted proportionately to the total plan obligations to determine the total impact for each assumption presented.

	Impact on defined benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded
Discount rate	0.50%	0.50%	(4.59%)	(5.37%)	5.00%	5.91%
Salary growth rate	0.50%	0.50%	0.15%	-%	(0.15%)	-%
Pension growth rate	0.50%	0.50%	4.54%	4.89%	(4.22%)	(4.54%)

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	Increase by 1 year in assumption		Decrease by 1 year in assumption	
	Unfunded	Funded	Unfunded	Funded
Life expectancy	4.09%	3.50%	(3.62%)	(3.12%)

The weighted average duration of the unfunded and funded defined benefit obligations are 9.49 years and 11.34 years (2024 – 10.19 years and 12.17 years).

Though its defined benefit pension plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Specific to employee benefit obligations, the Company is mainly exposed to economic and demographic risks such as salary inflation and changes in life expectancy. The plans' obligations are to provide benefits for the duration of the life of its members, therefore, increases in life expectancy will result in an increase in the plans' liabilities. In addition, the obligations are impacted by the discount rate.

Defined benefit pension plan assets are invested in order to meet funded pension obligations. The ability of the Company's fund assets to meet employee benefit obligations is subject to market risk such as foreign currency risk, interest rate risk, and other price risk. Credit risk also affects plan assets, as they are partially comprised of investments in bonds. The default of a bond issuer would decrease plan assets and the Company's corresponding ability to meet employee benefit obligations.

Expected maturity analysis of undiscounted pension liability:

	2025			2024		
	Unfunded	Funded	Total	Unfunded	Funded	Total
	\$	\$	\$	\$	\$	\$
Less than a year	879	232	1,111	679	194	873
Between 1 and 5 years	3,428	948	4,376	2,820	822	3,642
Over 5 years	13,420	5,396	18,816	13,030	4,954	17,984
Total	17,727	6,576	24,303	16,529	5,970	22,499

Expected contributions to pension benefit plans for the year ending December 31, 2026 are \$1,111.

15. Deferred revenue

	2025	2024
	\$	\$
Prepayments from clients	11,078	9,754
Current portion of deferred revenue related to long-term contracts	1,756	1,452
Current portion of deferred revenue	12,834	11,206
Non-current portion of deferred revenue related to long-term contracts	11,545	8,688
Non-current portion of deferred revenue	11,545	8,688
Total deferred revenue	24,379	19,894

For the year ended December 31, 2025, \$9,673 (2024 - \$9,118) of revenue was realized in relation to the deferred revenue balance outstanding at the beginning of the year.

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16. Other Liabilities

	2025	2024
	\$	\$
Beginning of year	706	3,669
Increase in liabilities	18	-
Utilized	-	(2,916)
Effect of foreign exchange	93	(47)
End of year	817	706

During 2024, a deposit was recognized in income for an amount of \$2,850 upon the disposition of property, plant and equipment. As at December 31, 2025, Other Liabilities were substantially comprised of jubilee benefits.

17. Income Taxes

	2025	2024
	\$	\$
Current tax:		
Current tax for the year	15,961	6,718
Adjustment in respect of prior years' estimates	425	227
Total current tax	16,386	6,945
Deferred tax:		
Recognition and reversal of temporary differences	(406)	1,734
Adjustment in respect of prior years' estimates	(841)	257
Total deferred tax	(1,247)	1,991
Income tax expense	15,139	8,936

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	2025	2024
	\$	\$
Earnings before income tax	65,705	23,608
Canadian statutory income tax rates	26.5%	26.5%
Income tax on earnings at Canadian statutory rate	17,412	6,256
Increase (decrease) resulting from:		
Unrecorded losses carried forward	(1,245)	969
Non-deductible expenses (non-taxable gain) for tax purposes	411	(293)
(Non-taxable) non-deductible foreign exchange	(2,544)	1,169
Effect of difference of foreign tax rates compared to Canadian tax rates	1,356	12
Withholding tax on group dividend	250	400
Adjustment in respect of prior years' estimates	(416)	484
Other	(85)	(61)
Income tax expense	15,139	8,936

The Company's applicable tax rate is the Canadian combined rates applicable in the jurisdiction in which the Company operates. Movement in the deferred income tax amounts is as follows:

	2025	2024
	\$	\$
Beginning of year	1,621	2,977
Tax charge relating to components of other comprehensive loss	(510)	86
Credited (charged) to consolidated statement of earnings	1,247	(1,991)
Impact of foreign exchange	(736)	549
End of year	1,622	1,621

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The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is as follows:

Deferred tax assets	Property, plant and equipment	Inventories	Intangible assets	Loss carry forward	Other tax attributes carry forward	Retirement benefit obligation	Others	Total	Offset by jurisdiction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2023	608	1,005	467	7,104	989	3,672	102	13,947	(5,686)	8,261
(Charged) credited to consolidated statements of earnings	(151)	1,405	(467)	(1,855)	666	(626)	949	(79)		
Credited to comprehensive income	-	-	-	-	-	86	-	86		
Effect of foreign exchange	-	-	-	-	-	-	549	549		
As at December 31, 2024	457	2,410	-	5,249	1,655	3,132	1,600	14,503	(7,145)	7,358
(Charged) credited to consolidated statements of earnings	314	(589)	12	1,243	2,194	(10)	(123)	3,041		
Credited to comprehensive income	-	-	-	-	-	(510)	-	(510)		
Effect of foreign exchange	-	-	-	-	-	-	(736)	(736)		
As at December 31, 2025	771	1,821	12	6,492	3,849	2,612	741	16,298	(9,503)	6,795

Deferred tax liabilities	Property, plant and equipment	Inventories	Intangible assets	Others	Total	Offset by jurisdiction	Total
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2023	2,435	-	8,287	248	10,970	(5,686)	5,284
Charged (credited) to consolidated statements of earnings	1,293	234	(1,315)	1,700	1,912		
As at December 31, 2024	3,728	234	6,972	1,948	12,882	(7,145)	5,737
Charged (credited) to consolidated statements of earnings	(1,030)	(234)	(1,279)	4,337	1,794		
As at December 31, 2025	2,698	-	5,693	6,285	14,676	(9,503)	5,173

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Deferred income tax liabilities have not been recognized for the withholding tax and taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totalled \$131,513 as at December 31, 2025 (2024 - \$76,484).

As at December 31, 2025, the Company had the following operating tax losses available for carry forward for which no deferred tax benefit has been recorded in the accounts:

	\$	Expiry
Belgium	15,616	No limit
United States	27,214	No limit
Hong Kong	9,302	No limit

18. Fair Value of Financial Instruments

The fair value of a financial instrument is determined by reference to the available market information at the reporting date. When no active market exists for a financial instrument, the Company determines the fair value of that instrument based on valuation methodologies as discussed below. In determining assumptions required under a valuation model, the Company primarily uses external, readily observable market data inputs. Assumptions or inputs that are not based on observable market data incorporate the Company's best estimates of market participant assumptions, and are used when external data is not available. Counterparty credit risk and the Company's own credit risk are taken into account in estimating the fair value of all financial assets and financial liabilities.

The following assumptions and valuation methodologies have been used to measure fair value of financial instruments:

- The carrying value approximates the fair value of its short-term financial assets and financial liabilities, including cash, accounts receivable, cash held in escrow and trade and accrued liabilities approximates due to the short-term maturities of these instruments;
- The fair value of its investment in equity is determined using significant unobservable inputs such as the best information available.
- The fair value of its restricted investment is determined using the expected life expectancy, present value of the estimated future cash flows and estimated discount rates. Assumptions are based on market conditions prevailing at each reporting date.
- The fair value of derivative instruments, which include the total return swap, is calculated as based on the variation in the stock price denominated in Canadian dollars and exchange rates, net of interest costs outstanding. Derivative instruments reflect the estimated amount that the Company would receive or pay to settle the contracts at the reporting date; and
- The fair value of long-term debt is estimated based on discounted cash flows using current interest rate for instruments with similar terms and remaining maturities.

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The carrying values are as follows as at December 31, 2025 and 2024:

As at December 31, 2025				Carrying value
	At fair value through profit or loss	At amortized cost	Financial liabilities at amortized cost	Total
	\$	\$	\$	\$
Financial assets				
Cash	-	59,573	-	59,573
Accounts receivable	-	50,470	-	50,470
Derivative financial assets	19,593	-	-	19,593
Other current assets	-	2,200	-	2,200
Other non-current assets	2,202	-	-	2,202
Total	21,795	112,243	-	134,038
Financial liabilities				
Trade and accrued liabilities	-	-	79,096	79,096
Long-term debt	-	-	109,837	109,837
Total	-	-	188,933	188,933

As at December 31, 2024				Carrying value
	At fair value through profit or loss	At amortized cost	Financial liabilities at amortized cost	Total
	\$	\$	\$	\$
Financial assets				
Cash	-	22,142	-	22,142
Accounts receivable	-	42,172	-	42,172
Derivative financial assets	6,978	-	-	6,978
Other current assets	-	1,937	-	1,937
Other non-current assets	3,507	-	-	3,507
Total	10,485	66,251	-	76,736
Financial liabilities				
Trade and accrued liabilities	-	-	42,116	42,116
Long-term debt	-	-	122,203	122,203
Total	-	-	164,319	164,319

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Fair value hierarchy

The fair value hierarchy reflects the significance of the inputs used in making the measurements and has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability include significant unobservable inputs.

The following table presents the financial instruments, by level, which are recognized at fair value in the consolidated statements of financial position:

As at December 31, 2025	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets			
At fair value through profit or loss			
Total return swap	-	19,593	-
Investment in equity instruments (Note 11)	-	-	1,687
Restricted investment (Note 11)	-	-	515
Total	-	19,593	2,202

As at December 31, 2024	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets			
At fair value through profit or loss			
Total return swap	-	6,978	-
Investment in equity instruments (Note 11)	-	-	3,000
Restricted investment (Note 11)	-	-	507
Total	-	6,978	3,507

In February 2025, the Company received \$6,898 upon the settlement and renewal of its Total return swap.

The Company utilizes the total return swap to reduce its income exposure to fluctuations in its share price relating to the DSU, PSU, RSU and SAR programs. Pursuant to the agreement, the Company receives the economic benefit of the share price appreciation while providing payments to the financial institution for the institution's cost of funds and any share price depreciation. The net effect of the total return swap partly offset movements in the Company's share price impacting the cost of the DSU, PSU, RSU and SAR programs. As at December 31, 2025, the total return swap covered 2,571,569 common shares of the Company.

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19. Operating Segments

The following tables summarize the information reviewed by the entity's chief operating decision maker when measuring performance:

	2025	2024
	\$	\$
Specialty Semiconductors	285,404	202,329
Performance Materials	105,658	86,952
Total revenue	391,062	289,281
Specialty Semiconductors	70,059	44,008
Performance Materials	35,139	22,072
Corporate and unallocated	(12,755)	(12,748)
Adjusted EBITDA⁽¹⁾	92,443	53,332
Interest on long-term debt, imputed interest and other interest expense	9,454	9,169
Depreciation and amortization	17,369	16,791
Share-based compensation (recovery) expense (Note 23)	(1,429)	906
Foreign exchange gain	(720)	(549)
Loss on remeasurement of financial instrument (Note 11 and 28)	1,313	1,000
Impairment of non-current assets (Note 7, 9 and 28)	475	2,706
Gain on disposal of property, plant and equipment (Note 7 and 28)	-	(2,089)
Litigation and restructuring costs (income) (Note 28)	(969)	1,790
ERP Implementation costs (Note 28)	1,245	-
Earnings before income tax	65,705	23,608

⁽¹⁾ Earnings before income tax, depreciation and amortization, share-based compensation (recovery) expense, ERP implementation costs, impairment of non-current assets, loss on remeasurement of financial instrument, (gain) loss on disposal of property, plant and equipment, litigation and restructuring costs (income) and financial expense.

	2025	2024
	\$	\$
Specialty Semiconductors	14,194	16,183
Performance Materials	3,994	4,537
Corporate and unallocated	1,962	47
Total	20,150	20,767

	2025	2024
	\$	\$
Specialty Semiconductors	260,576	199,224
Performance Materials	165,787	146,788
Corporate and unallocated	41,972	23,537
Total	468,335	369,549

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The geographic distribution of the Company's revenues based on the location of the customers for the years ended December 31, 2025 and 2024, and the identifiable non-current assets as at December 31, 2025 and 2024 are summarized as follows:

Revenues	2025	2024
	\$	\$
Asia		
China	16,356	12,109
Japan	8,783	6,045
Other	42,872	18,114
Americas		
United States	188,052	138,000
Other	13,547	8,244
Europe		
Germany	58,456	52,235
Belgium	5,017	8,905
France	6,315	7,771
Other ⁽¹⁾	47,566	30,835
Other	4,098	7,023
Total	391,062	289,281

For the year ended December 31, 2025, one customer represented approximately 32% (2024 – 26%) of revenues all of which is within the Specialty Semiconductors segment.

Non-current assets (other than deferred tax assets and financial instruments)	2025	2024
	\$	\$
Asia	2,767	3,007
United States	10,162	11,090
Canada	33,662	29,556
Germany	117,367	104,994
Total	163,958	148,647

20. Supplemental Cash Flow Information

a) Net change in non-cash working capital balances related to operations consists of the following:

	2025	2024
	\$	\$
(Increase) decrease in assets:		
Accounts receivable	(6,159)	(9,354)
Inventories	(20,222)	(33,864)
Income tax receivable	(63)	(139)
Other current assets	(238)	9
Increase (decrease) in liabilities:		
Trade and accrued liabilities	14,123	(1,682)
Income tax payable	8,479	685
Deferred revenue	1,623	1,979
Net change	(2,457)	(42,366)

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b) The reconciliation of assets/liabilities arising from financing activities consists of the following:

	December 31 2024	Cash flows	Non-Cash changes				December 31 2025
			Imputed interest	Foreign exchange movement	Fair value changes	Non-cash working capital	
	\$	\$	\$	\$	\$	\$	\$
Long-term debt (Note 13)	122,203	(12,391)	223	147	(345)	-	109,837
Lease liabilities (Note 8)	29,402	(3,165)	1,069	2,478	-	369	30,153
Total net liabilities from financing liabilities	151,605	(15,556)	1,292	2,625	(345)	369	139,990

	December 31 2023	Cash flows	Non-Cash changes				December 31 2024
			Imputed interest	Foreign exchange movement	Fair value changes	Non-cash working capital	
	\$	\$	\$	\$	\$	\$	\$
Long-term debt	108,500	14,889	137	(102)	(1,332)	111	122,203
Lease liabilities	30,139	(3,052)	1,095	(1,716)	-	2,936	29,402
Total net liabilities from financing liabilities	138,639	11,837	1,232	(1,818)	(1,332)	3,047	151,605

c) The consolidated statements of cash flows exclude or include the following transactions:

	2025	2024
	\$	\$
Excluded additions unpaid at end of the year: Additions to property, plant and equipment	792	344
Included additions unpaid at beginning of year: Additions to property, plant and equipment	344	1,214
Excluded non-cash proceeds on the disposal of Property, plant and equipment (Note 28)	-	200

d) Additions to property, plant and equipment consist of the following:

	2025	2024
	\$	\$
Additions to property, plant and equipment before prepayments	17,618	19,444
Prepayments for construction in progress	2,532	1,323
Additions to property, plant and equipment	20,150	20,767

21. Share Capital

Authorized:

- An unlimited number of common shares, participating, with no par value, entitling the holder to one vote per share; and
- An unlimited number of preferred shares, issuable in one or more series with specific terms, privileges and restrictions to be determined for each class by the Board of Directors. As at December 31, 2025 and 2024, no preferred shares were issued.

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22. Earnings per Share

The following table reconciles the numerators and denominators used for the computation of basic and diluted earnings (loss) per share:

Numerators	2025	2024
	\$	\$
Net earnings for the year	50,566	14,672
Denominators	2025	2024
Basic weighted average number of shares	89,061,859	88,886,157
Dilutive effect:		
Stock options	951,683	777,483
Diluted weighted average number of shares	90,013,542	89,663,640

As at December 31, 2025, a total number of nil stock options were excluded from the diluted weighted average number of shares due to their anti-dilutive effect.

As at December 31, 2024, a total number of 139,620 stock options was excluded from the diluted weighted average number of shares due to their anti-dilutive effect.

23. Share-Based Compensation

Restricted Share Unit (RSU) and Performance Share Unit Plan (PSU)

The RSU & PSU Plan enables the Company to award eligible participants: (i) phantom RSUs that vest no later than three years following the grant date; and (ii) phantom PSUs that vest after certain periods of time, not exceeding three years, and subject to the achievement of certain performance criteria as determined by the Board of Directors. Such plan provides for the settlement of RSUs and PSUs through either cash or the issuance of common shares of the Company from treasury, for an amount equivalent to the volume weighted average of the trading price of the common shares of the Company on the TSX for the five trading days immediately preceding the applicable RSU vesting determination date or PSU vesting determination date.

In the case of a participant's termination by the Company for cause or as a result of a voluntary resignation by the participant before the end of a performance cycle, all RSUs and PSUs will be forfeited immediately as of the date on which the participant is advised of his termination or resigns.

In the case of a participant's termination by the Company other than for cause, if such participant is deemed to be on long-term disability or if such participant retires before the end of a performance cycle, the number of RSUs which will vest at such event will be prorated based on the number of months worked at the end of the performance cycle and all PSUs will be forfeited immediately.

In the case of a participant's death before the end of a performance cycle, the number of RSUs which will vest will be prorated based on the number of months worked at the end of the fiscal year preceding the participant's death and all PSUs will be forfeited immediately.

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The maximum number of common shares which may be issued under the RSU & PSU Plan is 5,000,000. Common shares in respect of RSUs or PSUs to be settled through the issuance of common shares but that have been forfeited, cancelled or settled in cash shall be available for RSUs or PSUs to be granted thereafter pursuant to this plan. No RSUs or PSUs to be settled through the issuance of common shares may be granted to any participant unless the number of common shares: (a) issued to "Insiders" within any one-year period; and (b) issuable to "Insiders" at any time, under the plan, or when combined with all of the Company's other security-based compensation arrangements, could not exceed 10% of the total number of issued and outstanding common shares, respectively.

For the year ended December 31, 2025, the Company granted 81,238 RSUs (2024 – 121,870), 92,496 RSUs were paid (2024 – 75,542) and 4,152 RSUs were forfeited (2024 – 4,500). As at December 31, 2025, 346,314 RSUs were outstanding (2024 – 361,724).

As at December 31, 2025, nil PSUs were outstanding (2024 – nil).

Stock Appreciation Rights Plan

The SAR Plan enables the Company to award eligible participants phantom stock options to foreign directors, officers and employees. SARs usually have a six-year term and vest equally over a four-year period at an annual rate of 25% per year beginning one year following the SARs grant date. The amount of cash payout is equal to the sum of the positive differences between the volume weighted average trading price of the common shares of the Company on the TSX in the last twenty (20) trading days immediately preceding the exercise date and the grant price of each SAR redeemed.

At the end of each financial period, changes in the Company's payment obligations due to changes in the market value of the common shares on the TSX are recorded as an expense. For the year ended December 31, 2025, the Company granted 47,097 SARs (2024 – 78,955), 67,491 SARs were paid (2024 – 508,420) and nil SARs were forfeited (2024 – nil). As at December 31, 2025, 394,013 SARs were outstanding (2024 – 414,407).

Deferred Share Unit Plan

On May 7, 2014, the Company adopted a Deferred Share Unit ("DSU") Plan (the "DSU Plan") which enables the Company to provide Board directors and key officers and employees designated by the Board with phantom share units to enhance the Company's ability to attract and retain individuals with the right combination of skills and experience to serve on the Company's Board or as Company's executives. Unless the Board of Directors decides otherwise at its sole discretion, DSUs vest entirely at their date of grant and become payable in cash upon termination of services of a director, or termination of employment of an officer or employee. The amount of cash payout is equal to the volume weighted average trading price of the common shares of the Company on the TSX of the twenty (20) trading days immediately preceding the date of payment of the DSU.

For the year ended December 31, 2025, the Company granted 77,091 DSUs (2024 – 96,191) and nil DSUs were paid (2024 – 465,969). As at December 31, 2025, 1,566,857 DSUs were outstanding (2024 – 1,489,766).

Stock Option Plan

On April 11, 2011, the Company adopted a new stock option plan (the "Stock Option Plan") under which a maximum number of options granted cannot exceed 5,000,000. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years from the date of grant. The stock options outstanding as of December 31, 2025, may be exercised during a period not exceeding six years from their date of grant. Unless the Board of Directors decides otherwise at its sole discretion, options vest at a rate of 25% (100% for directors) per year, beginning one year following the grant date of the options. Any unexercised options will expire one month after the date beneficiary ceases to be an employee, director or officer (collectively the "optionee") and one year after the optionee's death, retirement or permanent disability, as the case may be, or prior to the expiration of the term of the option, whichever occurs earlier.

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The following table presents information concerning all outstanding stock options:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		CA\$		CA\$
Outstanding, beginning of year	1,166,705	1.99	1,365,162	1.90
Granted	68,219	6.85	139,620	4.47
Exercised	(31,250)	2.81	(338,077)	2.63
Forfeited	(18,750)	4.38	-	-
Outstanding, end of year	1,184,924	2.21	1,166,705	1.99
Exercisable, end of year	767,142	1.72	523,013	1.64

The outstanding stock options as at December 31, 2025 are as follows:

	Exercise price	Number of options		Weighted average remaining contractual life
	CA\$	Exercisable	Outstanding	(in years)
May 2027	3.38	12,053	12,053	1.36
December 2027	2.42	125,000	125,000	1.92
March 2028	2.27	18,243	36,485	2.18
May 2028	1.23	525,000	700,000	2.38
February 2029	2.74	58,191	128,547	3.15
March 2030	4.38	23,655	94,620	4.16
May 2030	5.00	5,000	20,000	4.35
February 2031	6.85	-	68,219	5.16
		767,142	1,184,924	2.74

The fair value of stock options at the grant date was measured using the Black-Scholes option pricing model. The historical share price of the Company's common shares is used to estimate expected volatility, and government bond rates are used to estimate the risk-free interest rate.

The following table illustrates the inputs used in the average measurement of the fair values of the stock options at the grant date granted during the years ended December 31, 2025 and 2024:

	2025	2024
Expected stock price volatility	52.2%	56%
Dividend	None	None
Risk-free interest rate	2.55%	3.68%
Expected option life	4 years	4 years
Fair value – weighted average of options issued	CA\$2.94	CA\$2.09

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The following table shows the share-based compensation (recovery) expense recorded in the consolidated statements of earnings for the years ended December 31, 2025 and 2024:

Expense	2025	2024
	\$	\$
RSUs	2,322	935
SARs	2,525	1,382
DSUs	12,312	4,643
Stock options	163	229
Total return swap (Note 18)	(18,751)	(6,283)
Total	(1,429)	906

The following amounts were recorded:

Liability	2025	2024
	\$	\$
RSUs	3,064	1,084
SARs	3,459	1,088
DSUs	20,257	7,511
Total	26,780	9,683
Intrinsic value of vested units	23,011	7,592

24. Commitments and Contingencies

Commitments

As at December 31, 2025, in the normal course of business, the Company contracted letters of credit for an amount of \$279 (2024 – \$190).

Contingencies

In the normal course of business, the Company is exposed to events that could give rise to contingent liabilities or assets. As at the date of issue of the consolidated financial statements, the Company was not aware of any significant events that would have a material effect on its consolidated financial statements.

25. Related Party Transactions

The Company's related parties are its directors and executive members.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are settled in cash.

Key management compensation

Key management includes directors (executive and non-executive) and certain senior management. The compensation expense paid or payable to key management for employee services is as follows:

	2025	2024
	\$	\$
Wages and salaries	3,435	2,785
Share-based compensation and others (Note 23)	16,376	6,642
Total	19,811	9,427

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26. Financial Risk Management

In the normal course of operations, the Company is exposed to various financial risks. These risk factors include market risk (foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, equity prices and interest rates, will affect the Company's net earnings or the value of financial instruments.

The objective of market risk management is to mitigate exposures within acceptable limits, while maximizing returns.

a) Foreign currency risk

Foreign currency risk is defined as the Company's exposure to a gain or a loss in the value of its financial instruments as a result of fluctuations in foreign exchange rates. The Company is exposed to foreign exchange rate variability primarily in relation to certain sales commitments, expected purchase transactions, certain local operating expenses and debt denominated in a foreign currency. In addition, these operations have exposure to foreign exchange rates primarily through cash and other working capital accounts denominated in currencies other than their functional currencies.

The following table summarizes in US dollar equivalents the Company's major currency exposures of the Company's US dollar functional currency operations as at December 31, 2025:

	2025					
	CAD	EUR	GBP	HKD	MYR	Other
	\$	\$	\$	\$	\$	\$
Cash	1,012	4,719	77	26	55	10
Accounts receivable	1,408	6,687	-	-	1	-
Derivative financial assets	19,593	-	-	-	-	-
Other current assets	-	2,200	-	-	-	-
Other non current assets	-	515	-	-	-	-
Trade and accrued liabilities	(34,762)	(10,195)	(322)	(195)	(175)	(92)
Long-term debt	(4,337)	-	-	-	-	-
Lease liabilities	(7,893)	(474)	-	(69)	-	-
Net financial assets (liabilities)	(24,979)	3,452	(245)	(238)	(119)	(82)

The following table shows the impact on earnings before income tax of a five-percentage point strengthening or weakening of foreign currencies against the US dollar as at December 31, 2025 for the Company's financial instruments denominated in non-functional currencies:

	CAD	EUR	GBP	HKD	MYR	Other
	\$	\$	\$	\$	\$	\$
5% Strengthening	(1,249)	173	(12)	(12)	(6)	(4)
5% Weakening	1,249	(173)	12	12	6	4

For the Company's subsidiaries with a functional currency other than the US dollar, their exposures of financial assets and financial liabilities denominated in US dollars are \$6,548 and \$305 respectively with a net position of \$6,243. A strengthening or weakening in the exchange rate between the functional currencies of these subsidiaries and the US dollar of five-percentage points results in a decrease or increase of \$312 to earnings before income tax.

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The Company will occasionally enter into foreign exchange forward contracts to sell US dollars in exchange for Canadian dollars and Euros. These contracts would hedge a portion of ongoing foreign exchange risk on the Company's cash flows since much of its non-US dollar expenses are incurred in Canadian dollars and Euros. The Company may also enter into foreign exchange contracts to sell Euros for US dollars. As at December 31, 2025, the Company has no foreign exchange contracts outstanding.

b) Interest rate risk

Interest rate risk refers to the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's policy is to limit its exposure to interest rate risk fluctuation by ensuring that a reasonable portion of its long-term debt is made of subordinated debts at fixed rate. The Company is exposed to interest rate fluctuations on its revolving credit facility, which bears a floating interest rate. A 1% increase/decrease in interest rates would have an impact of approximately \$905 on the Company's earnings before income tax on a twelve-month horizon based on the balance outstanding on December 31, 2025.

c) Other price risk

Other price risk is the risk that fair value or future cash flows will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk.

Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result, create a financial loss for the Company. The Company has a credit policy that defines standard credit practice. This policy dictates that all new customer accounts be reviewed prior to approval and establishes the maximum amount of credit exposure per customer. The creditworthiness and financial well-being of the customer are monitored on an ongoing basis.

The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for trade receivables.

The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. Historically, the Company has not incurred any significant losses in respect of its trade receivables. Therefore, the loss allowance at the end of each period and the change recorded for each period is insignificant.

The past due receivables are as follows:

	2025	2024
	\$	\$
Current	40,070	34,877
More than 30 days past due	197	430
More than 60 days past due	1,171	103
Gross carrying amount	41,438	35,410
Loss allowance	(34)	(28)
Total trade receivables	41,404	35,382

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During 2025, a loss allowance expense of \$6 was recorded (2024 - \$2). The loss allowance is included in selling, general and administrative expenses in the consolidated statement of earnings and is net of any recoveries that were provided for in prior periods.

Amounts charged to the loss allowance account are generally written off when there is no reasonable expectation of recovery.

Counterparties to financial instruments may also expose the Company to credit losses in the event of non-performance. Counterparties for derivative and cash transactions are limited to high credit quality financial institutions, which are monitored on an ongoing basis. Counterparty credit assessments are based on the financial health of the institutions and their credit ratings from external agencies, therefore no impairment loss was identified as at December 31, 2025.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. It also manages liquidity risk by continually monitoring actual and projected cash flows, taking into account the Company's sales and receipts and matching the maturity profile of financial assets and financial liabilities. The Board of Directors reviews and approves the Company's annual operating and capital budgets as well as any material transactions out of the ordinary course of business, including proposals on acquisitions and other major investments.

The following table reflects the contractual cash flows of the Company's financial liabilities as at December 31, 2025:

							2025
	Carrying amount	1 year	2 years	3 years	4 years	5 years and over	Total
	\$	\$	\$	\$	\$	\$	\$
Trade and accrued liabilities	79,096	79,096	-	-	-	-	79,096
Long-term debt	109,837	7,561	7,597	20,985	92,494	1,155	129,792
Lease liabilities	30,153	3,176	3,050	3,058	3,214	23,859	36,357
Total	219,086	89,833	10,647	24,043	95,708	25,014	245,245

Contractual cash flows subject to floating interest rates or denominated in foreign currencies are based on the spot rate in effect on December 31, 2025.

27. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company requires the approval of its lenders on some of the capital transactions such as the payment of dividends and capital expenditures over a certain level.

The Company monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (comprising long-term debt in the consolidated statement of financial position) less cash. Any introduced IFRS 16 Leases reporting measures in reference to lease liabilities are excluded from the calculation.

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Years ended December 31
(in thousands of United States dollars, unless otherwise indicated)

Debt-to-equity ratios as at December 31, 2025 and 2024 are as follows:

	2025	2024
	\$	\$
Long-term debt including current portion	109,837	122,203
Total debt	109,837	122,203
Less: Cash	(59,573)	(22,142)
Net debt	50,264	100,061
Shareholders' equity	198,964	139,018
Debt-to-equity ratio	25%	72%

28. Expenses by Nature

Expenses by nature include the following:

	2025	2024
	\$	\$
Wages and salaries	66,228	62,299
Depreciation of property, plant and equipment (Note 7)	11,841	11,039
Depreciation of right-of-use assets (Note 8)	2,683	2,611
Amortization of other assets (Note 11)	464	248
Other expenses (income), net		
Amortization of intangible assets (Note 9)	2,845	3,141
Share-based compensation (recovery) expense (Note 23)	(1,429)	906
(Gain) loss on disposal of property, plant and equipment ⁽¹⁾	15	(2,066)
Loss on remeasurement of financial instruments (Note 11)	1,313	1,000
Impairment of non-current assets (Notes 7 and 9)	475	2,706
Research and development, net of tax credits ⁽²⁾	4,614	4,307
Litigation and restructuring (income) costs, net ⁽³⁾	(969)	1,790
ERP Implementation costs ⁽⁴⁾	1,245	-
Other income	(101)	(170)

(1) In 2024, the Company recorded a gain of \$2,089 in relation to the sale of unused production equipment from the Performance Materials segment following the Company's decision to switch to higher capacity equipment.

(2) Research and development, net of tax credits was reduced by an amount of \$2,803 for the year ended December 31, 2025 resulting from research and development subsidies. There is an outstanding receivable related to these grants as at December 31, 2025 for an amount of \$819 included within Accounts receivable.

Research and development, net of tax credits was reduced by an amount of \$1,824 for the year ended December 31, 2024 resulting from research and development subsidies. There is an outstanding receivable related to these grants as at December 31, 2024 for an amount of \$1,488 included within Accounts receivable.

(3) In 2025, the Company recorded litigation and restructuring income. The main items are as follows:

- Income recognized related to deposits which are no longer refundable to clients for an amount of \$1,342;
- Costs related to change in management for an amount of \$373;

In 2024, the Company recorded litigation and restructuring costs. The main items are as follows:

- Provision related to a deposit for which it is probable that it is refundable to a client for an amount of \$437;
- Costs related to change in management for an amount of \$346;
- Charges associated with outsourcing the Accounting and Control Department of a subsidiary for an amount of \$162.
- Costs related to site closures in Asia for an amount of \$845.

(4) ERP implementation costs of \$1,245 were incurred in relation to its Montréal site for the year ended December 31, 2025.

Corporate Information

Stock Exchange

5N+ is listed on the Toronto Stock Exchange under the symbol VNP

Transfer Agent and Registrar

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Auditors

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